

CITY OF CHASKA

STATE OF MINNESOTA

**2020 COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

**CITY OF CHASKA
STATE OF MINNESOTA**

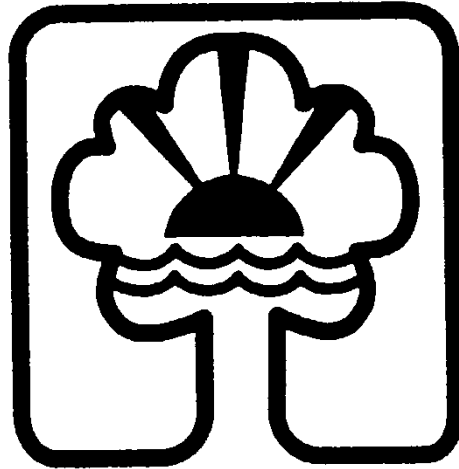
COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2020**

Prepared by:
Administrative Services Department

Noel J. Graczyk
Administrative Services Director,
Treasurer

Kelly L. Grinnell
Finance Manager



CHASKA

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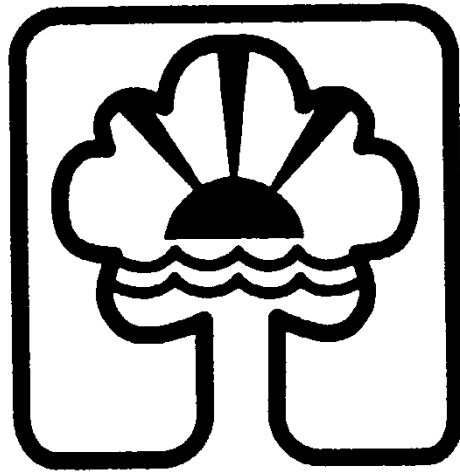
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CHASKA



City of Chaska

June 14, 2021

**To the Citizens of the City of Chaska, Honorable Mayor and Council Members, and
Mr. Matt Podhradsky, City Administrator**

The comprehensive annual financial report of the City of Chaska, Minnesota, for the year ended December 31, 2020, is hereby submitted. The report was prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board and meets the requirements of the Minnesota State Auditor's Office.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Malloy, Montague, Karnowski, Radosevich, & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. Based upon the audit, the independent auditor concluded that there was reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first item in the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Chaska's MD&A can be found in the financial section of this report, immediately following the report of the independent auditors.

City Profile

The City of Chaska was founded in 1851 and incorporated on March 3, 1891. The City is located in eastern Carver County, with the Minnesota River bordering the City to the south.

Since 1975 the City has operated under a Statutory Plan A form of government. Policymaking and legislative authorities are vested in the City Council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, and appointing committees. The City Council consists of a mayor and four council members. The mayor is elected for a two-year term of office and four council members serve four-year staggered terms, with two council members elected every two years. Non-partisan elections are held on the Tuesday after the first Monday in November, of each even-numbered year.

The City Administrator is appointed by the City Council and also serves as the City Clerk. The City Administrator is responsible for carrying out the policies and ordinances of the city council and overseeing daily operations of the City. A City Attorney is retained and appointed by the Chaska City Council. The Administrative Services Director serves as City Treasurer.

The City of Chaska provides a full range of services, including police and fire protection; building inspections; construction and maintenance of highways, streets, and other infrastructure; recreational activities and cultural events; and general administrative services. The City also operates nine enterprises: electric, water, sewer, and storm water utilities, a community center, two golf courses, a curling and event center, and a turbine generator.

The City is also financially accountable for the Chaska Economic Development Authority (EDA), which is included in this report as a blended component unit. The Chaska City Council serves as the board of the EDA.

The primary mission of the City of Chaska is to enhance and maintain the high quality of life of its “shareholders”, the citizens of Chaska. Consistent with its mission, the City will strive to maintain its unique historical small-town image and sense of community while supporting well-planned, orderly growth. To achieve its mission, the City has established six ongoing core strategies:

- Enhance Chaska’s high quality of life
- Plan orderly community development
- Maintain a sense of community and small-town values
- Assure that quality basic municipal services are provided
- Maintain a commitment to excellence
- Develop and maintain partnerships

The annual budget serves as the foundation for the City of Chaska’s financial planning and control. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Chaska City Council. Activities of the General Fund and certain special revenue and capital project funds are included in the annual appropriated budget. Debt service budgetary control is established by bond sale resolution covenants. Project-length financial plans are adopted for capital project funds.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Expenditures for departments or divisions that exceed

City of Chaska, Minnesota**For the Year Ended December 31, 2020**

appropriations are not authorized unless additional revenue sources or fund balance are identified and available. Unused appropriated expenditures lapse at year-end.

The City maintains stable financial operations due to a history of conservative budgeting, maintenance of healthy reserves, and a lack of reliance on state aid.

Economic Condition and Outlook

Since 2000, the City of Chaska has seen a significant amount of population growth and expects to continue growth through 2040.

<i>Year</i>	<i>Population*</i>	<i>% Increase</i>
2000	17,500	
2010	23,770	35.8%
2019 Estimated	27,692	16.5%
2030 Projected	32,000	15.6%
2040 Projected	36,600	14.4%

**Source of Estimated and Projected Population: Metropolitan Council*

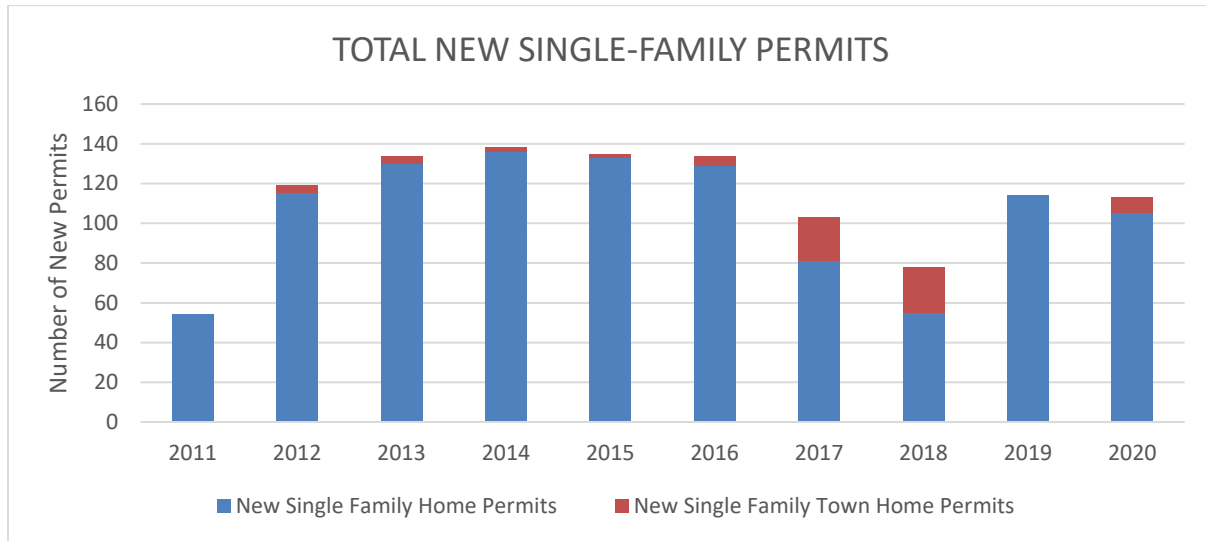
The rapid increase in population between 2000 and 2010 is attributed to the addition of approximately 200 to 500 housing units (both single family and multifamily units) per year from 2002 through 2005, as well as the addition of a significant amount of commercial development in the community. This commercial development included both small boutiques and large service centers such as Home Depot, Super Target and Kohl's.

Chaska saw the majority of its industrial development growth in the late 1980s and early 1990s. Nearly 8,000 jobs were created, with over 13,000 jobs in total in the community. The industrial park was near full capacity in the 1990s, with the exception of a few remaining sites. National and international companies such as Entegris, FSI, Lake Region Manufacturing, and Beckman Coulter all offer several hundred jobs at each facility. Housing and commercial development occurring after 2000 resulted directly from both a strong housing market and employment opportunities available in Chaska.

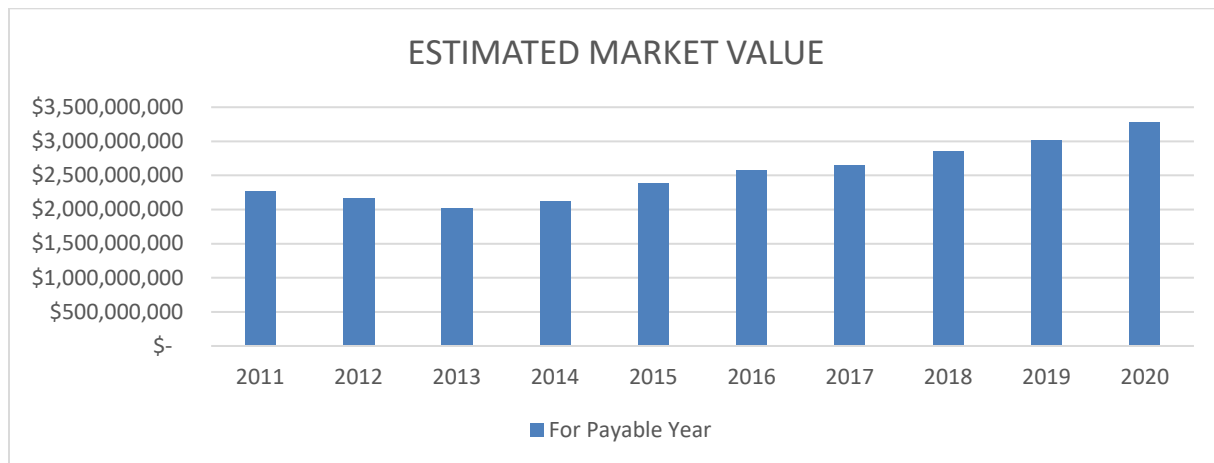
As with other communities across the country, the City saw a drop in new housing development beginning in 2007. The number of new single family permits rebounded beginning in 2012. Growth since then has been stable.

City of Chaska, Minnesota

For the Year Ended December 31, 2020



With the rebound in housing, market value in the City has also increased since 2014.



Other development opportunities within the City include the following:

Industrial Parks

There are two existing industrial parks located within Chaska with a combined capacity of 679 acres. Currently there are over one hundred enterprises occupying the parks, the largest of which include Lake Region Manufacturing, FSI International Inc., Beckman Coulter, Bailiwick and Lifecore Biomedical. There are a few remaining sites available within the industrial park.

Southwest Chaska Corporate and Industrial Development

The City has approximately 390 acres of corporate and industrial land that has started to develop along Highway 212. There is room for 5.5 million square feet of office and industrial space which will be marketed towards bioscience and high-tech companies. When complete, it is expected to add between \$300 and \$500 million of taxable market value as well as 4,000 to 6,000 quality jobs.

City of Chaska, Minnesota**For the Year Ended December 31, 2020**

The first project in this new industrial area was United Health Group's 250,000 square foot data center that began operations in 2012. The second project was Stream Data's 115,000 square foot data center that completed construction in late 2014. The third project was the development of an approximately 100,000 square foot data center facility for US Bank National Association completed in 2017. The City continues to actively recruit other data centers to locate in the remaining parcels in this area.

Southwest Chaska Master Plan

Development of objectives outlined in the Southwest Chaska Master Plan began in 2017. The plan guides development and land use for an undeveloped two square mile area in southwest Chaska along Highway 212. While most of this area was originally determined to be residential, the new master plan allows for more corporate uses and allows the residential development to be more consistent with market conditions.

To support access to the southwest Chaska area, the City received approval in late 2011 for the addition of an interchange off U.S. Highway 212 at Carver County Road 44. This will open up additional land for corporate/industrial development. In 2017, this \$21 million interchange project was approved for \$10 million in funding as part of the State Bonding Bill. The City of Chaska and Carver County provided funding for the remaining \$11 million. Construction began in 2019 and was substantially completed in 2020.

Long-Term Financial Planning

Each year the City develops a five-year financial forecast. The primary purpose of the forecast is to project available revenues and anticipated expenditures for all operating funds supported by property tax levies. The forecast is also used to establish the City's maximum tax levy. In preparing the five-year forecast, every attempt is made to accurately and conservatively estimate revenues and expenditures. The 2021 budget and five-year forecast were both developed based on the following objectives:

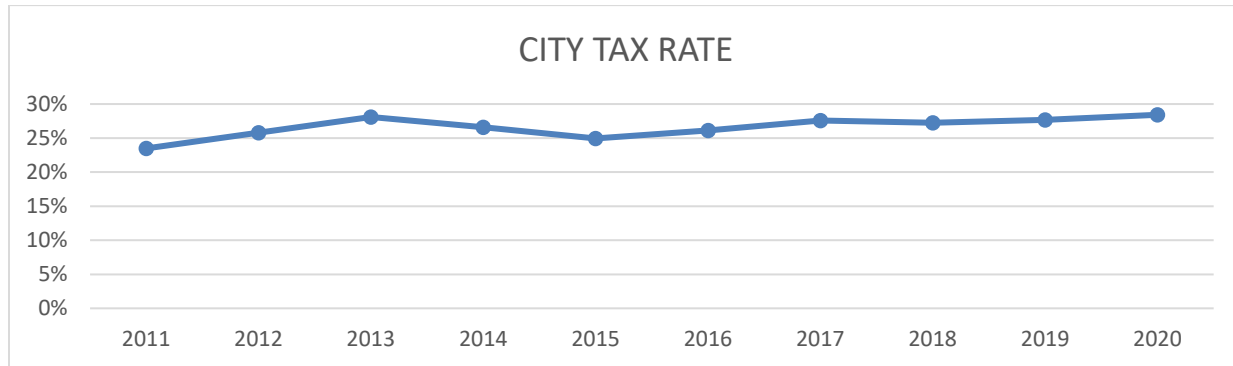
1. Support budget programs that help Chaska strengthen its mission of being "The Best Small Town in Minnesota"
2. Maintain existing high-quality service levels, funding new programs only after our existing, necessary programs are funded
3. Limit tax levy growth to capture only new growth and inflation
4. Fully fund scheduled maintenance and replacement of equipment/property
5. Increase levy additionally only if new service levels or assets are being added.
6. Budget utilizing a plan that avoids draw-down of the City's General fund reserve
7. Fully levy to support our adopted street reconstruction program
8. Develop a budget plan that is sustainable from a resource perspective to support the service levels residents expect

Key factors which impact both the costs of providing services and the City's revenue resources are changes in Chaska's population and households. The current 2020 – 2024 financial forecast strives to balance existing and future service level demands within the forecasted revenues while at the same time maintaining a low property tax rate.

The City's tax rate increased after the Great Recession in 2008 – 2009 due to declines in market values. As market values have slowly recovered and with the addition of an annual \$1,000,000 capital maintenance program, City property tax levels have remained relatively constant, with a tax rate of 28.425 percent in 2020.

City of Chaska, Minnesota

For the Year Ended December 31, 2020



In 2018, the City updated its Comprehensive Plan, which is a requirement from the Metropolitan Council to make local plans consistent with its updated Regional Development Framework. The 2040 Comprehensive Plan guides the direction of the City in several major areas: land use, transportation, environment, parks and trails, and public facilities. Each of these areas is examined in a comprehensive manner, in order to take advantage of opportunities, avoid problems, and work toward building a stronger community.

Major Initiatives

One of the City's main initiatives has been the development and implementation of its Downtown Master Plan. Chaska has a historic downtown core, with several commercial buildings and homes over 100 years old. A major focus of this initiative is to define how the City, businesses, and residents reinvest back into this unique area, to make it economically viable into the future.

Downtown redevelopment continues to be a priority. The City continues its multi-year program to reconstruct streets in the historic downtown core. This reconstruction has reinvigorated the coordination and planning efforts for the transformation of another downtown block, which will be called City Square West. The City envisions a gathering space that attracts citizens to come downtown to enjoy new and readily accessible services. Construction is estimated to start in late 2021 or early 2022.

Another major initiative for the City is the continuing capital maintenance plan. Key to this is the \$1 million of levy annually dedicated to reinvest in parks, streets and trails.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chaska for its Comprehensive Annual Financial Report for fiscal year ended December 31, 2019.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. A Comprehensive Annual Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

City of Chaska, Minnesota

For the Year Ended December 31, 2020

A Certificate of Achievement is valid for a period of one year only. The City of Chaska has received a Certificate of Achievement every year since 1989. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

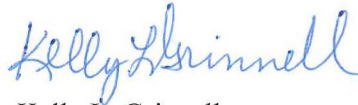
The preparation of this report was made possible by the dedicated service of the City staff, and in particular, members of the Administrative Services Department. Special recognition goes to Lisa Nelson, Controller; Erin Barnum, Accounting Supervisor; and Matt Burt, Accountant. Their contributions were essential in the preparation and production of this report.

We would like to express appreciation to Matt Podhradsky, the City Administrator, and to the Honorable Mayor and Chaska City Council members for their interest and support in planning and conducting the financial operations of the City.

Respectfully submitted,



Noel J. Graczyk
Administrative Services Director, Treasurer



Kelly L. Grinnell
Finance Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Chaska
Minnesota**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

Organization and Administrative Structure

City of Chaska, Minnesota

For the Year December 31, 2020

City of Chaska Residents and Businesses			
Elected Five (5) Member City Council			
Appointed Boards		Council Selected Outside Professional Advisors	Appointed Positions
Planning Commission		Independent Financial Auditing Firm	City Attorney
Parks Recreation and Arts (Cable)		Financial Consulting Firm	City Administrator, City Clerk
Human Rights Commission		Engineering Consulting Firm	

ADMINISTRATIVE STRUCTURE [560 Employees (165-288-0-107)]

City Administrator, City Clerk (1-0-0-0)

Administration (7-1-0-1) (1-0-0-0) Assistant City Administrator, Economic Development Coordinator (1-0-0-0) Deputy Clerk (1-0-0-0) Administration Clerk (0-0-0-1) Seasonal Intern (1-0-0-0) Human Resources Manager (1-0-0-0) Human Resources Generalist (1-0-0-0) Communications Manager (1-0-0-0) Cable Communications Coordinator (0-1-0-0) Cable TV Camera Operator		Electric Utility Services (15-0-0-1) (1-0-0-0) Electrical Director (1-0-0-0) Assistant Electrical Director (1-0-0-0) Line Superintendent (1-0-0-0) Foreman (Lineworker) (2-0-0-0) Lead Lineworker (6-0-0-0) Journeyman Line Worker (1-0-0-0) Apprentice Lineworker (2-0-0-0) Temporary Groundman (0-0-0-1) Seasonal Laborer	
Administrative Services (20-3-0-1) (1-0-0-0) Administrative Services Director, Treasurer (1-0-0-0) Finance Manager (1-0-0-0) Controller (1-0-0-0) Senior Accountant (1-0-0-0) Accountant (1-0-0-0) Payroll Coordinator (1-0-0-0) Senior Accounting Clerk (1-0-0-0) Administrative Services Clerk (1-0-0-0) Accounting Clerk (1-0-0-0) Accounts Payable Clerk (0-1-0-0) Support Staff (1-0-0-0) Customer Relations Supervisor (1-0-0-0) Utility Billing Coordinator (1-0-0-0) Assist. Utility Billing Coordinator (1-0-0-0) Utility Account Clerk (1-2-0-0) Customer Service Representative (1-0-0-0) Information Systems Manager (1-0-0-0) IS Network Administrator (1-0-0-0) IS Desktop Support Analyst (2-0-0-0) IS Network/Field Support Technicians (0-0-0-1) Seasonal Intern		Water and Sewer Utility Services (9-0-0-0) (1-0-0-0) Water/Sewer Director (1-0-0-0) Foreman (Water/Sewer) (1-0-0-0) Leadworker (Water/Sewer) (6-0-0-0) Maintenance III (Water/Sewer)	
Community Development and Planning Services (9-0-0-0) (1-0-0-0) Community Development Director (1-0-0-0) City Planner Building Inspections (7-0-0-0) (2-0-0-0) Building Official (4-0-0-0) Building Inspector (1-0-0-0) Community Development/Permit Technician		Parks Recreation and Arts (27-240-0-36) (Includes Community Center and Curling/Event Center) (1-0-0-0) Parks and Recreation Director Parks, Recreation and Arts (5-0-0-21) (1-0-0-0) Assistant to the Director (0-0-0-1) Seasonal Intern (1-0-0-0) Recreation Manager (1-0-0-0) Recreation Coordinator (1-0-0-0) Recreation Supervisor (1-0-0-0) Admin Assistant II (0-0-0-11) Rink Attendant, Outdoor (0-0-0-9) Concessions (Parks/Beach) Community Center (15-186-0-15) (1-0-0-0) Community Center Manager (1-0-0-0) Ice Arena Supervisor (1-0-0-0) Maintenance Supervisor (1-0-0-0) Resource & Event Services Supervisor (1-0-0-0) Aquatics Supervisor (1-0-0-0) Arena & Operations Coordinator (1-0-0-0) Guest Services Supervisor (1-0-0-0) Fitness Supervisor (1-0-0-0) AOA Specialist (1-0-0-0) Youth Supervisor (1-0-0-0) Recreation Supervisor - AOA (1-0-0-0) Athletics Supervisor (0-20-0-0) Rink Attendant/Monitor/Referee (3-34-0-0) Custodian/Maintenance (0-49-0-0) Pool Staff and Instructors (0-24-0-0) Guest Services Representatives (0-17-0-0) Daycare Assistants/Treks & Trails (0-25-0-0) Fitness Instructor (0-17-0-15) AOA/Sports/Gym/Extreme Kids Curling and Event Center (6-54-0-0) (1-0-0-0) Curling Center Manager (1-0-0-0) Head Ice Maker - Curling (1-0-0-0) Event Center Supervisor (1-0-0-0) Curling & Event Center Coordinator (1-0-0-0) Software Systems Supervisor (1-3-0-0) Custodian/Maintenance (0-26-0-0) Curling Instructors (0-22-0-0) Curling Center Ice Staff/Office (0-3-0-0) Event Center Staff	
Engineering Services (3-0-0-0) (1-0-0-0) City Engineer (1-0-0-0) Civil Engineer II (1-0-0-0) Water Resources Coordinator		Golf Courses (8-0-0-56) (1-0-0-0) Golf Professional (2-0-0-0) Assistant Golf Professionals Chaska Town Course (4-0-0-52) (1-0-0-0) Golf Superintendent (3-0-0-0) Greenskeeper (0-0-0-32) Course Staff (0-0-0-20) Maintenance-Seasonal Chaska Par 30 (1-0-0-4) (1-0-0-0) Greenskeeper (0-0-0-1) Course Staff (0-0-0-3) Maintenance-Seasonal	
Police Services (33-1-0-0) [26 licensed officers] (1-0-0-0) Chief of Police (1-0-0-0) Deputy Chief (2-0-0-0) Lieutenant (4-0-0-0) Sergeant (1-0-0-0) Sergeant (Patrol and Detective) (2-0-0-0) Detective (2-0-0-0) Youth Services/ School Resource Officer (13-0-0-0) Patrol Officer (1-0-0-0) Community Partnership Officer (1-0-0-0) Community Service Officer Manager (3-0-0-0) Community Service Officer (2-0-0-0) Secretary/Administrative Assistant (0-1-0-0) Evidence Clerk			
Public Works Services (28-0-0-12) (1-0-0-0) Public Works Director (1-0-0-0) Assistant Public Works Director (1-0-0-0) Office Manager (1-0-0-0) Accounting/Inventory Clerk (3-0-0-0) Foreman (Street/Park/Mechanic) (2-0-0-0) Leadworker (Street/Park) (2-0-0-0) Mechanic (17-0-0-0) Maintenance III (Street/Park/Building) (0-0-0-12) Maintenance-Seasonal			
Fire Services (5-0-0-0) (1-0-0-0) Fire Chief (1-0-0-0) Fire Marshal/Assistant Chief (2-0-0-0) Firefighter Inspector (1-0-0-0) Firefighter Administrative Assistant			
Chaska Volunteer Fire Department - 43 Active Paid on Call Firefighters			

Key to Number of Employees:

(Full-Time - Part-Time - Seasonal Full-Time - Seasonal Part-Time)

Elected and Administrative Officials**City of Chaska, Minnesota****For the Year Ended December 31, 2020****Elected Officials**

Name	Title	Term Expires
Mark Windschitl	Mayor	December 31, 2020
Jon Grau	Council Member, Ward 1	December 31, 2022
Taylor Hubbard	Council Member, Ward 2	December 31, 2020
McKayla Hatfield	Council Member, Ward 3	December 31, 2022
Mike Huang	Council Member, Ward 4	December 31, 2020

Administrative Officials

City Staff:	
City Administrator/City Clerk	Matt Podhradsky
Assistant City Administrator	Nate Kabat
Administrator Services Director, Treasurer	Noel Graczyk
Community Development Director	Kevin Ringwald
City Engineer	Matt Clark
Chief of Police	Ryan Seibert
Fire Chief	Timothy Wiebe
Public Works Director	Brian Jung
Director of Parks and Recreation	Marshall Grange
Interim Electric Director	Andrew Romine
Water and Sewer Director	Matt Haefner
Golf Professional	John Kellin
Executive Director of Chaska Economic Development Authority (EDA)	Matt Podhradsky
Independent Consultant:	
City Attorney	Luke Melchert Melchert, Hubert, Sjodin, PLLP



PRINCIPALS

Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Chaska, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chaska, Minnesota (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2020, the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

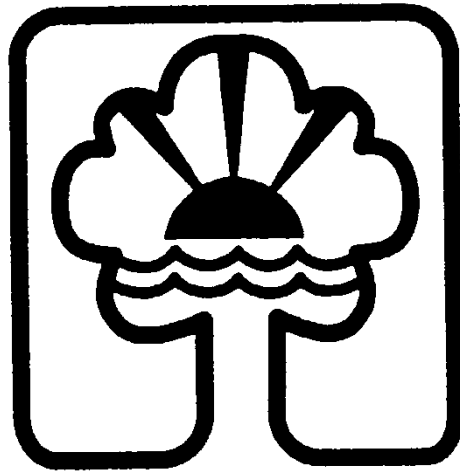
(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P. A.

Minneapolis, Minnesota
June 14, 2021



CHASKA

As management of the City of Chaska (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, located earlier in the report, and the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$190,910,779 (*net position*). Of that amount, \$33,549,957 is restricted for specific purposes (*restricted net position*) and \$171,344,169 represents the net investment in capital assets.
- The City's governmental funds reported combined ending fund balances of \$25,622,584. This is an increase of \$6,738,788 from the prior year.
- At the end of the current fiscal year, the General fund had a fund balance of \$1,932,463. While these funds are not legally restricted, the City has committed \$970,088 and assigned \$448,864 for compensated absences, leaving \$460,243 unassigned.
- The City issued six new bond series in 2020. Total bonds and premium payable increased \$12,966,980 during the year. At the end of the year, the City reported \$138,496,501 in bonds and premium payable.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

These financial statements include not only the City itself (known as the primary government), but also the Chaska Economic Development Authority (EDA). The EDA has been presented as a blended component unit of the City's financial statements in accordance with accounting principles generally accepted in the United States of America.

Government-wide Financial Statements – The government-wide statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private sector business.

The *Statement of Net Position* presents information on the City's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying

event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, (e.g., uncollected taxes and earned, but unused employee leave benefits).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include General Government, Public Safety, Public Works, Parks, Recreation and Arts, and Economic Development. The business-type activities of the City include Electric, Water, Sewer, and Storm Water utilities, along with the Community Center, Par 30 Golf Course, Chaska Town Course, Turbine Generator, and Curling Center operations.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds are reported in two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains numerous individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Public Improvement Projects Fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements or schedules elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Mount Pleasant Maintenance & Care Fund, Chaska EDA Fund, and Equipment Acquisition Fund. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

Proprietary Funds – The City maintains two different types of proprietary funds:

- *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Electric, Water, Sewer, and Storm Water utilities, along with the Community Center, Par 30 Golf, Chaska Town Course, Turbine Generator, and Curling Center operations.
- *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions. The City has one internal service fund that is used to account for the purchase of property, liability, and worker's compensation insurance. This internal service fund is included in the governmental activities in the government-wide financial statements. The internal service fund is presented in a single column in the proprietary funds financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the Electric, Water, Community Center, Turbine Generator, and Curling Center operations, all of which are considered to be major funds of the City. Data from the non-major enterprise funds are combined into a single, aggregated presentation.

Notes to the Financial Statements - The notes to the financial statements provide additional narrative and financial information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements, the financial section also presents required supplementary information, and the combining and individual fund statements and schedules. These statements and schedules are presented immediately following the notes to the financial statements.

A statistical section has been included to facilitate additional analysis and it is the final section of the report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$190,910,779 at the close of 2020.

By far, the largest portion of the City's net position (89.8 percent) reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), less outstanding debt used to acquire those assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis

City of Chaska, Minnesota

For the Year Ended December 31, 2020

City of Chaska - Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and Other Assets	\$ 44,036,236	\$ 38,094,282	\$ 51,332,876	\$ 45,612,191	\$ 95,369,112	\$ 83,706,473
Capital Assets	185,265,324	187,836,859	74,417,678	69,314,873	259,683,002	257,151,732
Total Assets	<u>\$ 229,301,560</u>	<u>\$ 225,931,141</u>	<u>\$ 125,750,554</u>	<u>\$ 114,927,064</u>	<u>\$ 355,052,114</u>	<u>\$ 340,858,205</u>
Deferred Outflows of Resources						
Pension Plan Deferments	\$ 3,397,664	\$ 4,356,357	\$ 689,730	\$ 396,098	\$ 4,087,394	\$ 4,752,455
OPEB Plan Deferments	37,650	27,156	15,699	11,501	53,349	38,657
Total Deferred Outflows of Resources	<u>\$ 3,435,314</u>	<u>\$ 4,383,513</u>	<u>\$ 705,429</u>	<u>\$ 407,599</u>	<u>\$ 4,140,743</u>	<u>\$ 4,791,112</u>
Total Assets and Deferred Outflows	<u>\$ 232,736,874</u>	<u>\$ 230,314,654</u>	<u>\$ 126,455,983</u>	<u>\$ 115,334,663</u>	<u>\$ 359,192,857</u>	<u>\$ 345,649,317</u>
Liabilities						
Other Liabilities	\$ 5,044,450	\$ 4,944,611	\$ 4,887,792	\$ 4,716,767	\$ 9,932,242	\$ 9,661,378
Noncurrent Liabilities	77,124,493	69,832,981	77,763,691	69,477,712	154,888,184	139,310,693
Total Liabilities	<u>\$ 82,168,943</u>	<u>\$ 74,777,592</u>	<u>\$ 82,651,483</u>	<u>\$ 74,194,479</u>	<u>\$ 164,820,426</u>	<u>\$ 148,972,071</u>
Deferred Inflows of Resources						
Debt Refunding Deferments	\$ -	\$ -	\$ 370,260	\$ 407,286	\$ 370,260	\$ 407,286
Pension Plan Deferments	2,915,247	5,035,913	172,282	680,954	3,087,529	5,716,867
OPEB Plan Deferments	2,727	-	1,136	-	3,863	-
Total Deferred Inflows of Resources	<u>\$ 2,917,974</u>	<u>\$ 5,035,913</u>	<u>\$ 543,678</u>	<u>\$ 1,088,240</u>	<u>\$ 3,461,652</u>	<u>\$ 6,124,153</u>
Net Position						
Net Investment in Capital Assets	\$ 134,205,413	\$ 143,383,394	\$ 37,138,756	\$ 32,618,078	\$ 171,344,169	\$ 176,001,472
Restricted	16,683,713	16,956,396	16,866,244	16,407,157	33,549,957	33,363,553
Unrestricted	(3,239,169)	(9,838,641)	(10,744,178)	(8,973,291)	(13,983,347)	(18,811,932)
Total Net Position	<u>\$ 147,649,957</u>	<u>\$ 150,501,149</u>	<u>\$ 43,260,822</u>	<u>\$ 40,051,944</u>	<u>\$ 190,910,779</u>	<u>\$ 190,553,093</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 232,736,874</u>	<u>\$ 230,314,654</u>	<u>\$ 126,455,983</u>	<u>\$ 115,334,663</u>	<u>\$ 359,192,857</u>	<u>\$ 345,649,317</u>

An additional portion of the City's net position represents resources that are subject to external restriction on how they may be used. The amount of restricted net position is \$33,549,957. After restrictions, the City is reporting an unrestricted net position deficit of \$13,983,347 an improvement of \$4,828,585 from the prior year.

Governmental activities – Total net position of the governmental activities decreased \$2,851,192 to \$147,649,957. The change in net position is due to the increase in noncurrent liabilities, in particular bonds payable and pension liabilities. Net investment in capital assets decreased \$9,177,981 due to depreciation and bonds issued. Unrestricted net position improved \$6,599,472 from the prior year.

Business-type activities – Total net position of the business-type activities increased \$3,208,878 to \$43,260,822. Net investment in capital assets increased \$4,520,678 due to construction of electric, water, and storm water system assets, and improvements at one of the golf courses. Unrestricted net position decreased \$1,770,887 from the prior year.

Management's Discussion and Analysis

City of Chaska, Minnesota

For the Year Ended December 31, 2020

City of Chaska - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for Services	\$ 8,300,629	\$ 7,294,779	\$ 59,477,264	\$ 58,273,008	\$ 67,777,893	\$ 65,567,787
Operating Grants & Contributions	7,010,170	10,909,953	41,351	142,669	7,051,521	11,052,622
Capital Grants & Contributions	2,296,609	2,644,120	881,172	678,369	3,177,781	3,322,489
General Revenues:						
Property Taxes	11,731,744	10,805,084	-	-	11,731,744	10,805,084
Franchise Taxes	763,101	752,914	-	-	763,101	752,914
Grants & Contributions Not Restricted	2,110,628	42,379	165	283	2,110,793	42,662
Investment Earnings	189,473	428,710	134,799	407,297	324,272	836,007
Other General Revenues	428,225	277,822	178,627	138,006	606,852	415,828
Total Revenues	32,830,579	33,155,761	60,713,378	59,639,632	93,543,957	92,795,393
Expenses						
General Government	6,404,435	6,466,463	-	-	6,404,435	6,466,463
Economic Development	1,353,256	1,682,326	-	-	1,353,256	1,682,326
Public Safety	8,940,448	6,805,386	-	-	8,940,448	6,805,386
Public Works	16,348,045	26,781,348	-	-	16,348,045	26,781,348
Parks, Recreation & Arts	1,622,431	1,636,562	-	-	1,622,431	1,636,562
Interest on Long-term Debt	1,812,949	1,522,276	-	-	1,812,949	1,522,276
Electric	-	-	36,587,314	35,599,483	36,587,314	35,599,483
Water	-	-	3,680,044	3,391,370	3,680,044	3,391,370
Sewer	-	-	4,560,553	4,091,831	4,560,553	4,091,831
Community Center	-	-	4,822,493	4,716,992	4,822,493	4,716,992
Par 30 Golf Course	-	-	177,696	187,568	177,696	187,568
Chaska Town Course	-	-	2,485,892	2,505,095	2,485,892	2,505,095
Turbine Generator	-	-	921,659	1,023,865	921,659	1,023,865
Storm Water	-	-	1,268,421	1,173,012	1,268,421	1,173,012
Chaska Curling Center	-	-	2,200,635	2,419,331	2,200,635	2,419,331
Total Expenses	36,481,564	44,894,361	56,704,707	55,108,547	93,186,271	100,002,908
Excess (Deficiency) Before Transfers	(3,650,985)	(11,738,600)	4,008,671	4,531,085	357,686	(7,207,515)
Transfers	799,793	6,649,355	(799,793)	(6,649,355)	-	-
Change in Net Position	(2,851,192)	(5,089,245)	3,208,878	(2,118,270)	357,686	(7,207,515)
Net Position - Beginning	150,501,149	155,590,394	40,051,944	42,170,214	190,553,093	197,760,608
Net Position - Ending	\$ 147,649,957	\$ 150,501,149	\$ 43,260,822	\$ 40,051,944	\$ 190,910,779	\$ 190,553,093

As a whole, the City had total revenues of \$93,543,957 for the year ended December 31, 2020. This is an increase of \$748,564 from the prior year.

The total cost of all programs and services was \$93,186,271, a decrease of \$6,816,637 from the prior year. The City's expenses are predominantly related to providing services such as police, fire, building inspections, street maintenance, and snow removal, purchasing power for electric service and other utility operations for the citizens of Chaska. Other expenses include economic development, public project construction and interest on long-term debt.

Governmental activities – Governmental Activities revenue decreased \$325,182 from the prior year and expenses decreased \$8,412,797. Significant components of revenue and expenses include:

- Property Taxes were the largest source of revenue at \$11,731,744 or 35.7 percent. Property Taxes for 2020 were \$926,660 more than the prior year due to an increase in taxes levied.
- Operating Grants and Contributions for 2020 were \$3,899,783 lower than the prior year, due to smaller reimbursements from the County for its share of the cost of the Highway 212/44 interchange project.

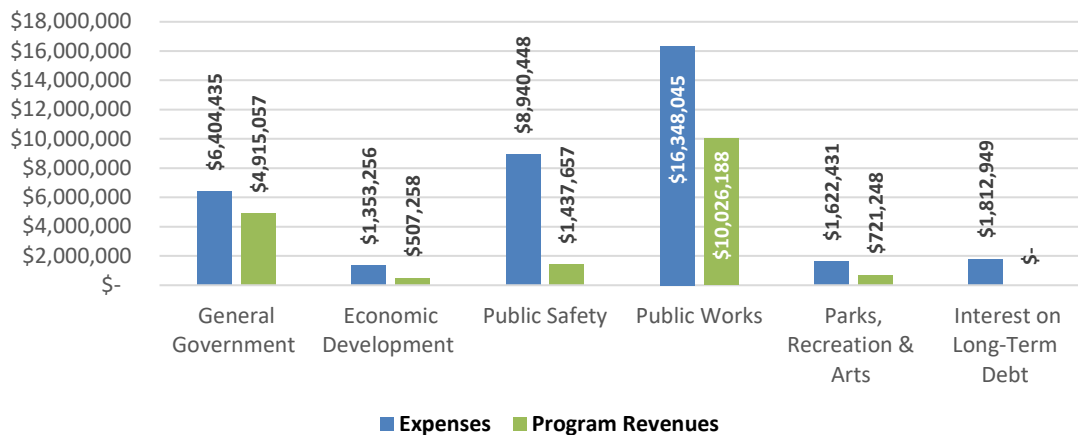
- Charges for Services made up 25.3 percent of total revenue, compared to 22.0 percent the prior year. Charges for services were \$1,005,850 more than 2019. The most significant change is an increase in administrative fees for additional services provided to City departments. Acreage fees and connection charges were slightly higher than the prior year and charges related to broadband service were also higher.
- Capital Grants and Contributions were \$2,296,609, a decrease of \$347,511 from the prior year. Special assessments and intergovernmental aid and grants make up the majority of this revenue. Overall, 2020 activity was similar to the prior year.
- Unrestricted Grants and Contributions were \$2,110,628, an increase of \$2,068,249 from the prior year due to the receipt of Coronavirus Relief Funds.
- Total expenses for all programs and services were \$36,481,564, with street maintenance/construction making up 44.8 percent of this total. Although this function decreased \$10,433,303 from the prior year, the City still had significant costs for the remaining portion of the Highway 212/County Road 44 interchange project, an asset which is not City-owned.
- The next largest expenses were in public safety and general government which account for 24.5 and 17.6 percent of the total, respectively. Public safety expenses were \$2,135,062 higher than the prior year due to moving the building inspections function from General Government to Public Safety, and purchases of personal protective equipment and other supplies for employee safety during COVID-19. General government expenses were slightly lower than the prior year. While the building inspection function was moved out of General Government, the City added a new building facility maintenance department.
- Net transfers in 2020 include \$4,127,456 in capital asset transfers from governmental activities to business-type activities. Utility infrastructure projects reported as construction in progress in governmental funds last year, were completed in 2020, and transferred to water, sewer and storm water utilities.
- Additional comparisons can be found in the accompanying graphs.

Business-type activities – Business-type Activities revenue increased \$1,073,746 from the prior year and expenses increased \$1,596,160. Significant components of revenue and expenses include:

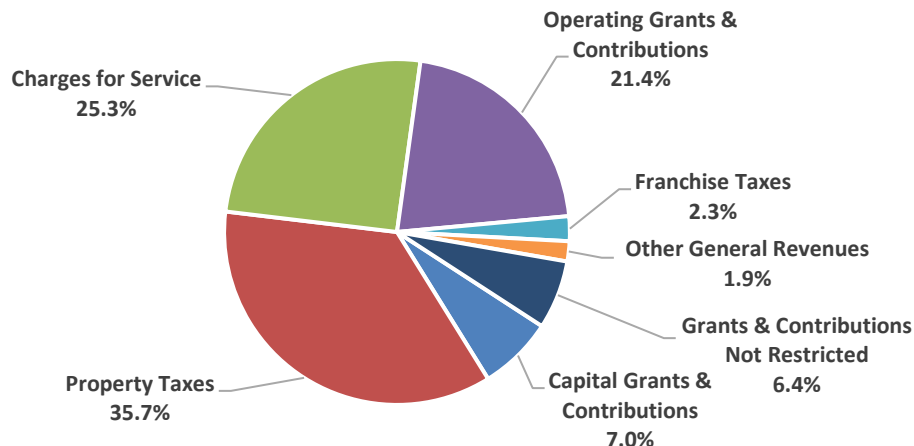
- Charges for services for business-type activities includes charges for Electric, Water, Sewer and Storm Water utilities. Also included in charges for services are Community Center, Par 30 golf course, Chaska Town Course golf course, Turbine Generator, and Chaska Curling Center operations. During 2020, the Community Center and Curling and Event Center closed for periods as required by State COVID-19 mandates.
- The Electric fund comprises about 71.7 percent of all business-type revenue and 64.5 percent of all business-type expenses.
- Charges for services were stable compared to the prior year, increasing \$1,204,256 or 2.1 percent from the prior year.
- Capital Grants and Contributions increased \$202,803. The City received \$124,000 in contributions for the Learning Links golf course improvements. The Community Center qualified for a \$162,422 electric rebate for the purchase of an electric Zamboni. Wetland grants were about \$60,000 less than the prior year.

- Water Fund expenses were 8.5 percent or \$288,674 higher due to higher administrative fees paid to the General fund, electrical costs for pumping, and bond issuance costs.
- Sewer Fund expenses were 11.5 percent or \$468,722 higher. An increase of \$241,682 in fees paid to Metropolitan Council Environmental Services for sanitary sewer flows accounts for most of the increase. Administrative fees paid to the General fund were also \$129,744 higher than 2019.
- Curling Center expenditures were \$218,696 lower than 2019 due to facility closures during the COVID-19 pandemic.
- Net transfers out decreased \$5,849,562. Capital infrastructure assets totaling \$4,127,456 were transferred from Governmental to Enterprise funds. Transfers from Water, Sewer, and Storm Water Enterprise funds to Governmental funds were lower than 2019.
- Additional comparisons can be found in the accompanying graphs.

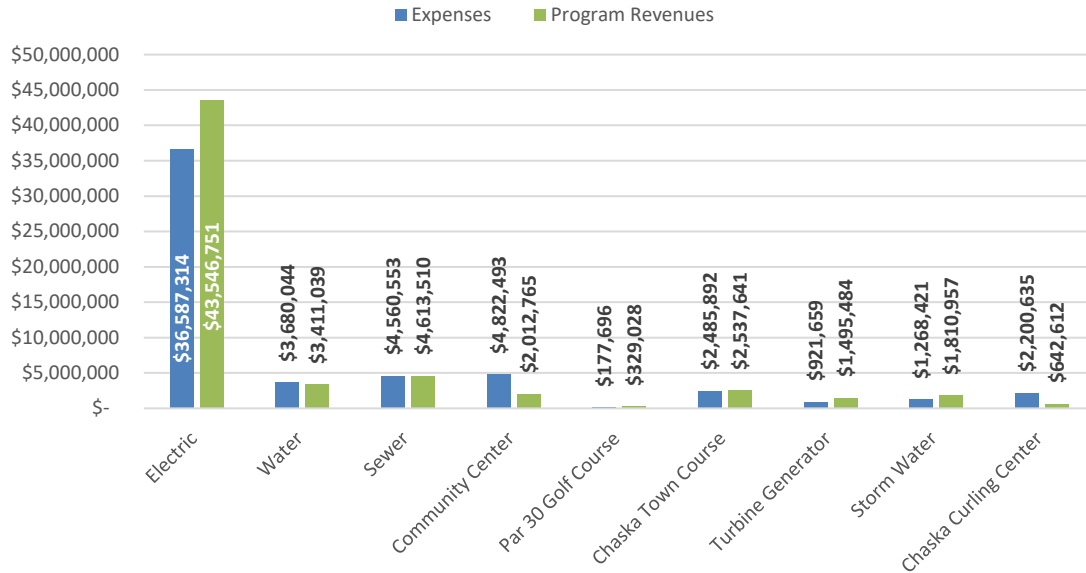
Expenses and Program Revenues - Governmental Activities



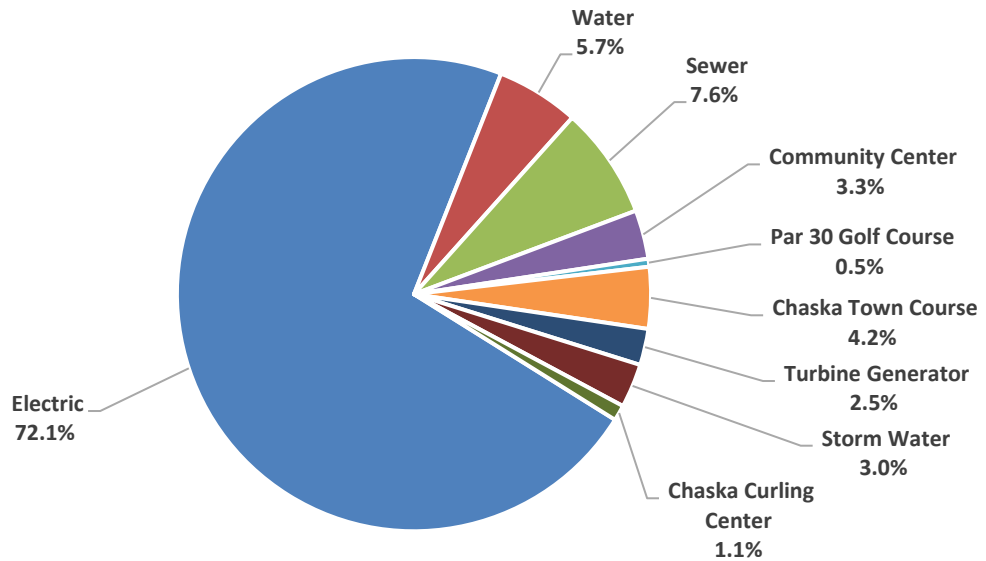
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities



Program Revenues - Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Chaska uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City of Chaska's financing requirements. In particular, assigned and unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported a combined fund balance of \$25,622,584. Revenues for the City's governmental funds were \$33,735,075, while total expenditures were \$43,858,326. Property taxes was the most significant revenue source (34.8 percent), followed by Intergovernmental revenue (30.4 percent), then Charges for Services (21.4 percent). Capital outlay was the most significant expenditure (29.0 percent) followed by Public Safety (18.7 percent), and Public Works and Debt Service Principal both at 14.1 percent.

The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$460,243. Total fund balance increased \$21,602 to \$1,932,463 as of December 31, 2020.

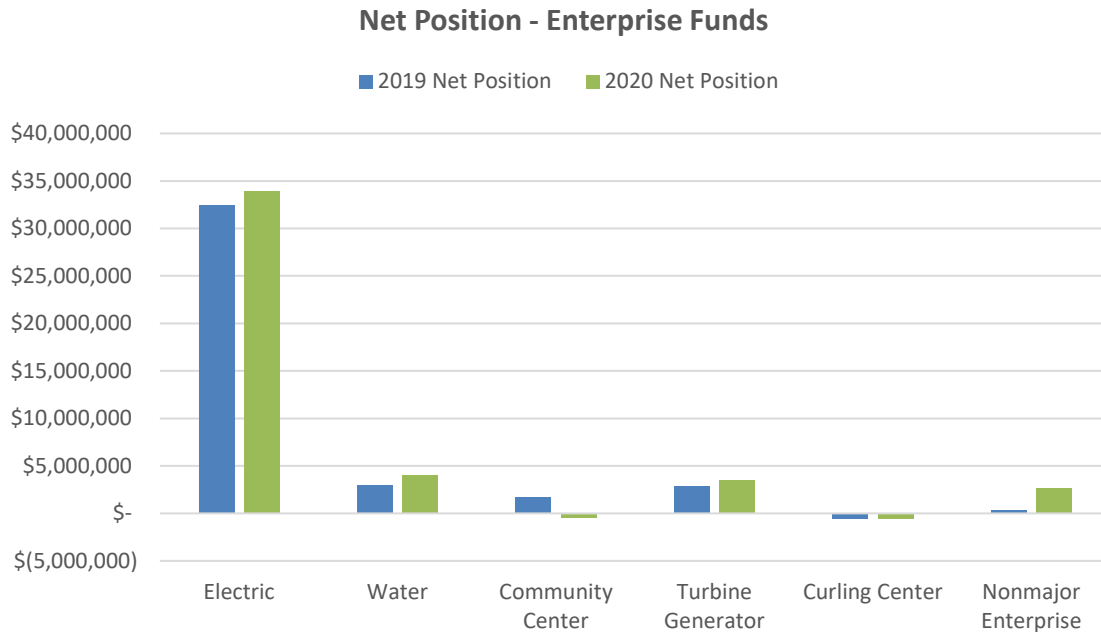
- For the year, total revenues and other financing sources were \$19,029,402 and total expenditures and other financing uses were \$19,007,800, resulting in the \$21,602 increase in fund balance. Total revenues were \$3,979,884 less than total expenditures. Overall revenues were lower than budgeted, but mid-year budget reductions due to COVID-19 led to lower expenditures. Prior to 2019 the Electric fund paid a franchise tax to the General Fund. In 2019, in lieu of a franchise tax, the electric fund began annual transfers to the General fund. For 2020, the transfer was \$3,934,820 compared to \$3,927,340 in 2019.
- The City has committed \$970,088 in the general fund for compensated absences estimated to be used in the next year based on a three-year average. The remaining balance of compensated absences has been set aside as assigned.

The **Public Improvement Projects Capital Project Fund** is used to account for the revenues and expenditures for public improvement costs. Fund balance increased \$5,724,450 during 2020 due to bonding and transfers from other funds to assist with project costs.

Proprietary Funds – The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The combined net position of all current year enterprise funds operations increased \$3,233,766 to \$43,108,709. Factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

The following table shows net position changes in individual major funds and combined non-major funds between 2020 and 2019.



General Fund Budgetary Highlights

The final amended budget for the General fund includes the original adopted budget plus any additional supplemental appropriations that were approved by the City Council during the year. In 2020, the original budget was amended, decreasing revenues \$4,566,776, increasing expenditures \$68,055, and increasing net other financing sources (uses) \$4,634,831. The original budget was amended to reflect the elimination of the electric franchise tax of \$3,998,000 paid to the General fund. In lieu of the franchise tax, the Electric fund will make a transfer to the General fund. Licenses and permit revenue was amended to reflect an expected decrease in building permit revenue. Charges for service revenue was also decreased due a decrease in administrative charges, inspection services, and park and recreation program revenues.

The City's final budget for the General fund anticipated that revenues and other financing sources would be equal to expenditures and other financing uses. At year-end, revenues were \$104,984 higher than the final budget, and expenditures were \$205,037 more than final budget. Other financing sources and uses were \$121,655 more than budget. For the year, the net change in fund balance was an increase of \$21,602.

Budgetary variances – Revenues

- Total General Fund property taxes were \$6,952,468, \$14,786 higher than the final budget of \$6,937,682 due to an adjustment for Green Acre paybacks.
- Licenses and Permit revenue was \$129,193 over the final budget, but \$185,576 lower than the original budget. The final budget was amended to reflect an expected decrease in building permits activity due to COVID-19.

Management's Discussion and Analysis

City of Chaska, Minnesota

For the Year Ended December 31, 2020

- Intergovernmental revenue was less than the final budget by \$117,246. The police department school liaison program generated \$113,003 less than budget due to decreased service needed during the school year because of COVID-19.
- Charges for Service was \$86,114 less than final budget, largely due to lower administrative charges for assessments and economic development.
- Other revenue was \$199,025 over the final budget due to miscellaneous refunds and reimbursements.

Budgetary variances - Expenditures

- General Government expenditures were \$9,262 more than the final budget. Small discrepancies of over and under budget exist in most departments, but general government expenditure were only slightly over the final budget.
- Public Safety expenditures were \$231,939 more than the final budget largely due to costs for COVID-19; however, transfers in from Coronavirus Relief Funds offset the increased expenditures.
- Public Works expenditures were \$65,475 under budget largely due to lower than expected wages and compensatory time cashed out.
- Parks, Recreation and Arts were over budget by \$29,292 due to higher wages for beach lifeguards. The City expected the beach to be closed all summer, but it was able to open for part of the summer.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As shown in the capital asset table below, at the end of 2020, the City had \$259.7 million (net of depreciation) invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads and highways, and utility infrastructure. More detailed information on the City of Chaska's capital assets can be found in **Note 4** of the basic financial statements.

Capital Assets at Year End - Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 52,198,393	\$ 51,583,265	\$ 1,231,421	\$ 1,231,421	\$ 53,429,814	\$ 52,814,686
Works of Art/Historical Treasures	105,027	105,027	-	-	105,027	105,027
Buildings	3,305,403	2,384,153	37,557,116	34,659,453	40,862,519	37,043,606
Other Improvements	13,686,757	11,327,233	863,461	945,333	14,550,218	12,272,566
Furniture & Equipment	3,895,371	3,882,498	4,986,501	4,700,857	8,881,872	8,583,355
Infrastructure	96,203,123	94,194,419	26,546,944	20,166,959	122,750,067	114,361,378
Construction in Progress	15,871,250	24,360,264	3,232,235	7,610,850	19,103,485	31,971,114
Total Capital Assets,						
Net of Depreciation	<u>\$ 185,265,324</u>	<u>\$ 187,836,859</u>	<u>\$ 74,417,678</u>	<u>\$ 69,314,873</u>	<u>\$ 259,683,002</u>	<u>\$ 257,151,732</u>

Management's Discussion and Analysis

City of Chaska, Minnesota

For the Year Ended December 31, 2020

In 2020, Construction in Progress decreased for both governmental activities and business-type activities.

- The decrease in Governmental activities construction in progress is due to the completion of several extensive development projects in the southwest Chaska area.
- Business-type activities construction in progress includes expansion of the electric distribution system, water and storm water infrastructure projects, and the Learning Links improvement project at the Par 30 Golf Course.

Long-Term Debt

At year-end, the City had \$131.1 million in bonds, notes, and capital leases outstanding, as shown in the table below. More detailed information about the City's long-term liabilities is presented in **Note 6** to the financial statements.

City of Chaska - Outstanding Debt						
(Does Not Include Premiums, Compensated Absences, Other Post-Employment Benefit or Net Pension Liabilities)						
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Equipment Certificates	\$ 3,185,000	\$ 3,480,000	\$ -	\$ -	\$ 3,185,000	\$ 3,480,000
General Obligation Bonds	1,290,000	1,590,000	25,450,000	17,220,000	26,740,000	18,810,000
General Obligation Tax Increment Bonds	3,100,000	3,210,000	-	-	3,100,000	3,210,000
General Obligation Abatement Bonds	610,000	620,000	-	-	610,000	620,000
General Obligation Improvement Bonds	32,310,000	33,595,000	-	-	32,310,000	33,595,000
General Obligation Revenue Bonds	570,000	645,000	-	-	570,000	645,000
Temporary General Obligation Bonds	5,150,000	5,205,000	-	-	5,150,000	5,205,000
Revenue Bonds	-	-	26,470,000	26,290,000	26,470,000	26,290,000
EDA Revenue Bonds	7,815,000	-	-	-	7,815,000	-
EDA Lease Revenue Bonds	8,990,000	9,270,000	16,070,000	17,835,000	25,060,000	27,105,000
Promissory Note Payable	70,652	83,696	-	-	70,652	83,696
Capital Lease Payable	10,313	12,878	54,528	101,541	64,841	114,419
Total	\$ 63,100,965	\$ 57,711,574	\$ 68,044,528	\$ 61,446,541	\$ 131,145,493	\$ 119,158,115

- During 2020, the City made principal payments of \$15,020,000 on outstanding bonds, \$13,044 on notes payable, and \$49,578 on capital leases.
- During the year, the City issued six new bond series.

Standard and Poor's affirmed the City's General Obligation rating of AA for bonds of that type issued in 2020. The Chaska EDA Lease Revenue Bonds carry an AA- rating by Standard and Poor's, as of last review. The City was rated A2 from Moody's for Chaska Electric Revenue Bonds issued prior to 2020. The City received a rating of A from Standard & Poor's for its 2020F Electric Revenue bonds.

Under Minnesota State Statutes, the general obligation bonded debt issued by the City is subject to a legal debt limitation based on 3 percent of market value. On December 31, 2020, the City's legal debt margin was \$61,093,251. The statutes provide that debt issues supported by tax increment, special assessment revenues or available dedicated reserves are excluded from the total limited debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The COVID-19 pandemic has caused significant volatility in economic conditions worldwide and has caused an economic downturn as several businesses have had to temporarily halt operations or scale back. In 2020, the City temporarily closed certain operations, including the Community Center and Curling and Event Center, resulting in lower revenues, decreased demand for certain services, an increase in delinquencies or uncollectible accounts receivable, and increased expenses. The City received Coronavirus Relief Funds in 2020 to help offset additional expenses, but the funds were not available for revenue shortfalls. The City expects to receive approximately \$3 million in aid due to passage of the 2021 American Recovery Act. The City will receive half the funds in 2021 and the remaining half in 2022. These funds can be used to offset revenue losses along with expenses.

The City uses a five-year financial forecast model for its General fund, enterprise funds, and certain other funds to determine levels of service and to respond to short-term economic and financial changes to make good decisions for the long-term. The City models some funds out ten to twenty years to plan for capital improvements.

The City adopted a tax levy policy in 2014. The tax levy is increased each year based on two factors: new construction in the community and inflationary increases in the market. The tax levy is only increased beyond this point if new services are added.

The City's elected and appointed officials considered many factors when setting the fiscal year 2021 budget. Several issues were considered:

1. The City has prioritized making sure General Fund reserve balances are sufficient for cash flow and other needs, but to also maintain our bond rating. General fund balance is projected to increase \$300,000 by year-end 2021.
2. The City will continue to fully fund the established Capital Asset Maintenance Program. One million dollars of tax levy is dedicated each year for this purpose.
3. Building permit revenue decreased in 2020, compared to 2018 and 2019. Due to the uncertainty with COVID-19 the City expects a similar lower level of activity in 2021. The City does expect to see increased development when market uncertainties abate since the County Road 44/212 interchange project is complete.
4. The City plans to make strategic investments in the police budget to ensure high levels of service and improve community relations.
5. Electric revenue has continued to increase with continued economic development activity occurring in the last five years, including data center development and additions to existing industrial businesses, driving up this usage. This has had a positive impact on electric fund transfers to the General fund.
6. The City completed a staffing study in 2019 that identified a gap of 16 employees needed to sustainably provide services at expected levels. The 2020 budget proposed filling four

of these positions each year for the next four years. In 2020, the City filled four of those positions. Due to COVID-19, the City has decided to pause the filling of four positions in 2021.

7. The City suspended its Pay for Performance plan for 2021 and instead all employees will receive a 1.5 percent pay increase. Due to favorable health insurance renewal rates the City will not see an increase in premiums.

Market values across the community increased by an average of 2.8 percent for taxes payable 2021, which is significantly lower than the average growth of 6.5 percent over the last four years. Tax capacity for 2021 increased 3.0 percent.

The 2021 City property tax levy is increasing from \$10,516,131 in 2020 to \$11,413,137. The tax rate is increasing from 28.4 percent to 30.5 percent. Annual taxes on the median value home are projected to increase from \$808 in 2020 to \$872 in 2021.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Department, City of Chaska, One City Hall Plaza, Chaska, MN 55318.

Government-Wide Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash And Investments	\$ 20,475,331	\$ 4,223,053	\$ 24,698,384
Receivables:			
Taxes	165,853	-	165,853
Special Assessments	11,158,616	35,829	11,194,445
Accounts, Net Of Allowance	350,768	8,318,021	8,668,789
Interest	4,440	125,301	129,741
Leases	40,282	17,014,601	17,054,883
Notes	9,930	-	9,930
Internal Balances	7,401,565	(7,401,565)	-
Due From Other Governments	426,887	228,249	655,136
Inventories	-	1,939,378	1,939,378
Prepaid Items	53,268	-	53,268
Net Pension Asset	434,929	-	434,929
Restricted Assets:			
Cash And Investments For Operating And Maintenance	-	11,159,000	11,159,000
Cash With Escrow Agent - Debt Service	3,514,367	15,691,009	19,205,376
Capital Assets:			
Not Depreciated	68,174,670	4,463,656	72,638,326
Net Of Depreciation	117,090,654	69,954,022	187,044,676
TOTAL ASSETS	229,301,560	125,750,554	355,052,114
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan Deferments	3,397,664	689,730	4,087,394
OPEB Plan Deferments	37,650	15,699	53,349
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,435,314	705,429	4,140,743
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 232,736,874	\$ 126,455,983	\$ 359,192,857
LIABILITIES			
Accounts Payable	\$ 1,699,742	\$ 596,262	\$ 2,296,004
Salaries Payable	176,800	88,469	265,269
Deposits Payable	566,425	372,322	938,747
Accrued Interest Payable	762,692	647,043	1,409,735
Due To Other Governments	129,630	2,664,535	2,794,165
Unearned Revenue	1,709,161	519,161	2,228,322
Non-Current Liabilities:			
Due Within One Year	11,471,537	14,400,405	25,871,942
Due In More Than One Year	65,652,956	63,363,286	129,016,242
TOTAL LIABILITIES	82,168,943	82,651,483	164,820,426
DEFERRED INFLOWS OF RESOURCES			
Debt Refunding Deferments	-	370,260	370,260
Pension Plan Deferments	2,915,247	172,282	3,087,529
OPEB Plan Deferments	2,727	1,136	3,863
TOTAL DEFERRED INFLOWS OF RESOURCES	2,917,974	543,678	3,461,652
NET POSITION			
Net Investment in Capital Assets	134,205,413	37,138,756	171,344,169
Restricted for:			
Special Purposes	114,706	-	114,706
Debt Service	13,936,608	16,866,244	30,802,852
Economic Development	1,941,223	-	1,941,223
Fire Relief Pensions	691,176	-	691,176
Unrestricted	(3,239,169)	(10,744,178)	(13,983,347)
TOTAL NET POSITION	147,649,957	43,260,822	190,910,779
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 232,736,874	\$ 126,455,983	\$ 359,192,857

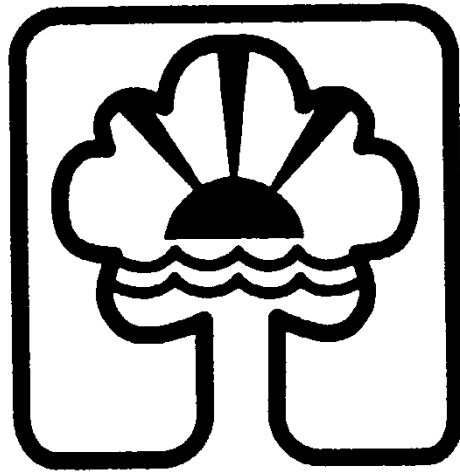
The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
General Government	\$ 6,404,435	\$ 4,775,856	\$ 139,201	\$ -	\$ (1,489,378)	\$ -	\$ (1,489,378)
Economic Development	1,353,256	85,000	297,726	124,532	(845,998)	-	(845,998)
Public Safety	8,940,448	907,268	530,389	-	(7,502,791)	-	(7,502,791)
Public Works	16,348,045	1,877,244	6,040,661	2,108,283	(6,321,857)	-	(6,321,857)
Parks, Recreation And Arts	1,622,431	655,261	2,193	63,794	(901,183)	-	(901,183)
Interest On Long-Term Debt	1,812,949	-	-	-	(1,812,949)	-	(1,812,949)
Total Governmental Activities	36,481,564	8,300,629	7,010,170	2,296,609	(18,874,156)	-	(18,874,156)
Business-type Activities:							
Electric	36,587,314	43,028,104	3,339	515,308	-	6,959,437	6,959,437
Water	3,680,044	3,372,280	8,617	30,142	-	(269,005)	(269,005)
Sewer	4,560,553	4,612,317	1,193	-	-	52,957	52,957
Community Center	4,822,493	1,830,242	20,101	162,422	-	(2,809,728)	(2,809,728)
Par 30 Golf Course	177,696	204,789	239	124,000	-	151,332	151,332
Chaska Town Course	2,485,892	2,536,210	1,431	-	-	51,749	51,749
Turbine Generator	921,659	1,495,484	-	-	-	573,825	573,825
Storm Water	1,268,421	1,756,180	5,477	49,300	-	542,536	542,536
Chaska Curling Center	2,200,635	641,658	954	-	-	(1,558,023)	(1,558,023)
Total Business-type Activities	56,704,707	59,477,264	41,351	881,172	-	3,695,080	3,695,080
TOTAL	\$ 93,186,271	\$ 67,777,893	\$ 7,051,521	\$ 3,177,781	(18,874,156)	3,695,080	(15,179,076)
General Revenues:							
Property Taxes					11,731,744	-	11,731,744
Franchise Taxes					763,101	-	763,101
Grants & Contributions Not Restricted to Specific Functions					2,110,628	165	2,110,793
Investment Earnings					189,473	134,799	324,272
Other					428,225	178,627	606,852
Transfers					4,927,249	(4,927,249)	-
Transfers - Capital Assets					(4,127,456)	4,127,456	-
Total General Revenues & Transfers					16,022,964	(486,202)	15,536,762
Change in Net Position					(2,851,192)	3,208,878	357,686
Net Position - Beginning					150,501,149	40,051,944	190,553,093
Net Position - Ending					\$ 147,649,957	\$ 43,260,822	\$ 190,910,779

The notes to the financial statements are an integral part of this statement.



CHASKA

Governmental Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2020

CITY OF CHASKA, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	GENERAL	PUBLIC IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash And Investments	\$ 2,465,984	\$ 1,102,049	\$ 16,508,932	\$ 20,076,965
Cash With Escrow Agent	-	19,380	3,494,987	3,514,367
Receivables:				
Taxes	124,464	-	41,389	165,853
Special Assessments	-	-	11,158,616	11,158,616
Accounts, Net of Allowance	224,994	-	9,911	234,905
Interest	773	-	2,724	3,497
Lease	-	-	40,282	40,282
Notes	-	-	9,930	9,930
Due From Other Funds	-	-	5,374,047	5,374,047
Due From Other Governments	61,332	249,462	116,093	426,887
Interfund Receivable	-	6,036	358,029	364,065
Advance To Other Funds	-	113,222	1,567,484	1,680,706
Prepaid Items	53,268	-	-	53,268
TOTAL ASSETS	\$ 2,930,815	\$ 1,490,149	\$ 38,682,424	\$ 43,103,388
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ 135,755	\$ 1,009,715	\$ 554,272	\$ 1,699,742
Salaries Payable	176,800	-	-	176,800
Deposits Payable	491,832	54,772	19,821	566,425
Due To Other Funds	-	-	1,189,047	1,189,047
Due To Other Governments	124,801	1,431	3,398	129,630
Interfund Payable	-	-	126,015	126,015
Advance From Other Funds	-	-	2,300,078	2,300,078
Unearned Revenue	33,306	-	1,675,855	1,709,161
TOTAL LIABILITIES	962,494	1,065,918	5,868,486	7,896,898
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Taxes	35,858	-	19,860	55,718
Unavailable Revenue - Special Assessments	-	-	9,477,976	9,477,976
Unavailable Revenue - Notes Receivable	-	-	9,930	9,930
Unavailable Revenue - Lease Receivable	-	-	40,282	40,282
TOTAL DEFERRED INFLOWS OF RESOURCES	35,858	-	9,548,048	9,583,906
FUND BALANCES:				
Nonspendable	53,268	-	-	53,268
Restricted	-	18,875	13,392,557	13,411,432
Committed	970,088	131,941	5,221,943	6,323,972
Assigned	448,864	1,019,752	8,215,833	9,684,449
Unassigned	460,243	(746,337)	(3,564,443)	(3,850,537)
TOTAL FUND BALANCES	1,932,463	424,231	23,265,890	25,622,584
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,930,815	\$ 1,490,149	\$ 38,682,424	\$ 43,103,388

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total fund balances - governmental funds	\$ 25,622,584
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.

Cost of Capital Assets	289,272,226
Less: Accumulated Depreciation	(104,006,902)

Due to availability, certain revenues are not recognized under the governmental fund statements until received; however, under full accrual in the government-wide Statement of Activities, revenues are recorded when earned regardless of when received.

Delinquent Taxes	55,718
Special Assessments	9,477,976
Notes Receivable	9,930
Leases Receivable	40,282

Governmental funds do not report long-term amounts related to pensions and other post employment benefits that are included in governmental activities net position.

Deferred Outflows - Pension Plan Deferments	3,397,664
Deferred Inflows - Pension Plan Deferments	(2,915,247)
Deferred Outflows - OPEB Plan Deferments	37,650
Deferred Inflows - OPEB Plan Deferments	(2,727)

Internal service funds are used by management to charge the costs of property and liability insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

4,265,172

Internal balances from business-type activities for internal service fund services.

(152,113)

Governmental funds do not report net pension assets.

434,929

Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.

(762,692)

Long-term liabilities, including bonds payable, notes payable, compensated absences, other post-employment benefits and net pension liabilities are not payable with current financial resources and, therefore, are not reported in governmental funds.

Due within one year	(11,471,537)
Due in more than one year	(65,652,956)

Net position of governmental activities	<u>\$ 147,649,957</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	GENERAL	PUBLIC IMPROVEMENT PROJECTS	NONMAJOR GOVERNMENTAL	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes:				
Property	\$ 6,952,468	\$ -	\$ 4,786,154	\$ 11,738,622
Franchise	763,101	-	-	763,101
Licenses And Permits	943,410	-	-	943,410
Intergovernmental	639,162	5,969,891	3,645,485	10,254,538
Charges For Services	4,891,208	-	2,322,547	7,213,755
Fines And Forfeitures	33,400	-	22,163	55,563
Special Assessments	-	-	1,970,086	1,970,086
Investment Earnings (Charges)	16,058	(13,407)	171,252	173,903
Other Revenue	309,109	29,150	283,838	622,097
TOTAL REVENUES	14,547,916	5,985,634	13,201,525	33,735,075
EXPENDITURES				
CURRENT:				
General Government	5,782,281	-	159,403	5,941,684
Economic Development	-	-	1,332,462	1,332,462
Public Safety	8,003,451	-	212,046	8,215,497
Public Works	3,892,910	1,142,331	1,153,029	6,188,270
Parks, Recreation And Arts	845,739	1,098	88,997	935,834
DEBT SERVICE:				
Principal	2,565	1,805,000	4,393,044	6,200,609
Interest	854	-	2,025,257	2,026,111
Issuance Costs And Fiscal Agent Fees	-	198,756	87,497	286,253
CAPITAL OUTLAY	-	7,853,366	4,878,240	12,731,606
TOTAL EXPENDITURES	18,527,800	11,000,551	14,329,975	43,858,326
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,979,884)	(5,014,917)	(1,128,450)	(10,123,251)
OTHER FINANCING SOURCES (USES)				
Transfers In	4,481,486	1,765,753	8,613,525	14,860,764
Transfers Out	(480,000)	(591,386)	(8,852,439)	(9,923,825)
Bonds Issued	-	9,565,000	1,725,000	11,290,000
Refunding Bonds Issued	-	-	2,580,000	2,580,000
Premium on Bonds Issued	-	-	320,429	320,429
Payment to Refunding Bond Escrow Agent	-	-	(2,280,000)	(2,280,000)
Sale Of Capital Assets	-	-	14,671	14,671
TOTAL OTHER FINANCING SOURCES (USES)	4,001,486	10,739,367	2,121,186	16,862,039
NET CHANGE IN FUND BALANCES	21,602	5,724,450	992,736	6,738,788
FUND BALANCES, JANUARY 1	1,910,861	(5,300,219)	22,273,154	18,883,796
FUND BALANCES, DECEMBER 31	\$ 1,932,463	\$ 424,231	\$ 23,265,890	\$ 25,622,584

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Total net change in fund balances - governmental funds	\$	6,738,788
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Further detail on increases and decreases can be found in the note on capital assets. (Increases include donations of capital assets and capital contribution from business-type activities.)

Capital Outlay	9,230,118
Less: Depreciation Expense	(7,232,497)
Net Book Value of assets sold or disposed	(441,700)
Asset Transfer	(4,127,456)

Under modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period. Under the full accrual basis of accounting, these revenues are recognized when earned.

Delinquent Taxes	(6,878)
Special Assessments	(1,150,843)
Notes Receivable	(5,265)
Leases Receivable	(31,241)

Long-term debt and other long-term liabilities provide current financial resources to governmental funds, while the repayment of long-term debt and liabilities consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Further detail on the additions and reductions can be found in the note on long-term liabilities.

Additions to long-term liabilities (increases governmental fund balances)	(17,995,203)
Reductions to long-term liabilities (decreases governmental fund balances)	10,703,691

Net pension and OPEB activity is not recognized in the governmental funds but recognized as the expense/revenue is incurred in the Statement of Activities.

Net Pension Asset	192,499
Deferred Outflows - Pension Plan Deferrals	(958,693)
Deferred Inflows - Pension Plan Deferrals	2,120,666
Deferred Outflows - OPEB Deferrals	10,494
Deferred Inflows - OPEB Deferrals	(2,727)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(79,696)
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Internal service funds are used by management to charge the costs of property and liability insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	159,863
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Internal service fund profit allocated to business-type activities.	24,888
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Change in net position - governmental activities	\$	(2,851,192)
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The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Taxes:				
Property	\$ 6,937,682	\$ 6,937,682	\$ 6,952,468	\$ 14,786
Franchise	4,763,000	765,000	763,101	(1,899)
Licenses And Permits	1,128,986	814,217	943,410	129,193
Intergovernmental	751,437	756,408	639,162	(117,246)
Charges For Services	5,233,900	4,977,322	4,891,208	(86,114)
Fines And Forfeitures	70,219	60,219	33,400	(26,819)
Investment Earnings	22,000	22,000	16,058	(5,942)
Other Revenue	102,484	110,084	309,109	199,025
TOTAL REVENUES	19,009,708	14,442,932	14,547,916	104,984
EXPENDITURES:				
Current:				
General Government	5,957,798	5,773,019	5,782,281	(9,262)
Public Safety	7,456,079	7,771,512	8,003,451	(231,939)
Public Works	3,812,179	3,958,385	3,892,910	65,475
Parks, Recreation And Arts	1,025,252	816,447	845,739	(29,292)
Debt Service:				
Principal	2,600	2,600	2,565	35
Interest	800	800	854	(54)
TOTAL EXPENDITURES	18,254,708	18,322,763	18,527,800	(205,037)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	755,000	(3,879,831)	(3,979,884)	(100,053)
OTHER FINANCING SOURCES (USES):				
Transfers In	-	4,359,831	4,481,486	121,655
Transfers Out	(755,000)	(480,000)	(480,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(755,000)	3,879,831	4,001,486	121,655
NET CHANGE IN FUND BALANCES	-	-	21,602	21,602
FUND BALANCES, January 1	1,910,861	1,910,861	1,910,861	-
FUND BALANCES, December 31	\$ 1,910,861	\$ 1,910,861	\$ 1,932,463	\$ 21,602

The notes to the financial statements are an integral part of this statement.

Proprietary Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2020

CITY OF CHASKA, MINNESOTA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	TOTALS	
ASSETS								
Current Assets:								
Cash And Investments	\$ 404,385	\$ 774,166	\$ 1,244	\$ 1,383,512	\$ 669	\$ 1,659,077	\$ 4,223,053	\$ 398,366
Restricted Assets:								
Cash And Investments For Operating And Maintenance	11,159,000	-	-	-	-	-	11,159,000	-
Cash And Investments For Debt Service	3,102,021	7,769,404	234,463	3,029,113	1,428,567	127,441	15,691,009	-
Receivables:								
Special Assessments	8,238	2,068	-	-	-	25,523	35,829	-
Accounts:								
Current	3,562,037	216,328	79,835	-	39,269	568,561	4,466,030	115,863
Unbilled	3,363,817	202,371	-	-	-	414,322	3,980,510	-
Allowance For Uncollectible Accounts	(104,643)	(6,395)	(50)	-	(589)	(16,842)	(128,519)	-
Interest	2,359	723	-	121,727	-	492	125,301	943
Due From Other Funds	-	2,493,135	-	-	-	1,600,000	4,093,135	2,750,000
Due From Other Governments	-	2,552	225,697	-	-	-	228,249	-
Interfund Receivable	-	-	-	57,977	-	-	57,977	-
Lease Receivable	-	-	-	1,071,261	-	-	1,071,261	-
Inventories	1,687,335	200,651	-	-	-	51,392	1,939,378	-
Total Current Assets	23,184,549	11,655,003	541,189	5,663,590	1,467,916	4,429,966	46,942,213	3,265,172
Noncurrent Assets:								
Lease Receivable	-	-	-	15,943,340	-	-	15,943,340	-
Advance To Other Funds	1,300,078	-	-	707,619	-	-	2,007,697	1,000,000
Capital Assets:								
Land	778,843	222,130	90,466	-	-	139,982	1,231,421	-
Buildings	9,799,403	17,255,218	25,995,010	-	17,040,442	8,380,433	78,470,506	-
Other Improvements	-	1,271,864	546,340	-	-	441,930	2,260,134	-
Furniture And Equipment	2,162,625	778,520	2,786,385	-	1,855,800	3,934,302	11,517,632	-
Infrastructure	30,882,482	6,925,798	-	-	-	7,197,092	45,005,372	-
Construction In Progress	1,710,210	17,409	162,422	-	-	1,342,194	3,232,235	-
Less: Accumulated Depreciation	(19,567,821)	(14,415,400)	(19,015,259)	-	(2,628,651)	(11,672,491)	(67,299,622)	-
Total Net Capital Assets	25,765,742	12,055,539	10,565,364	-	16,267,591	9,763,442	74,417,678	-
Total Noncurrent Assets	27,065,820	12,055,539	10,565,364	16,650,959	16,267,591	9,763,442	92,368,715	1,000,000
TOTAL ASSETS	50,250,369	23,710,542	11,106,553	22,314,549	17,735,507	14,193,408	139,310,928	4,265,172
DEFERRED OUTFLOWS OF RESOURCES								
Pension Plan Deferments	193,124	68,973	179,330	-	55,178	193,125	689,730	-
OPEB Plan Deferments	6,921	1,496	3,066	-	570	3,646	15,699	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	200,045	70,469	182,396	-	55,748	196,771	705,429	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 50,450,414	\$ 23,781,011	\$ 11,288,949	\$ 22,314,549	\$ 17,791,255	\$ 14,390,179	\$ 140,016,357	\$ 4,265,172
LIABILITIES								
Current Liabilities:								
Accounts Payable	\$ 79,265	\$ 28,428	\$ 111,332	\$ -	\$ 10,603	\$ 366,634	\$ 596,262	\$ -
Salaries Payable	29,493	9,613	20,804	-	7,047	21,512	88,469	-
Deposits Payable	151,733	6,927	22,813	-	18,132	172,717	372,322	-
Compensated Absences	163,854	54,639	71,478	-	20,246	129,993	440,210	-
Accrued Interest Payable	70,286	61,806	37,002	200,313	191,768	85,868	647,043	-
Due To Other Funds	-	-	4,977,250	-	5,185,000	865,885	11,028,135	-
Due To Other Governments	2,539,745	10,769	6,818	57,557	1,787	47,859	2,664,535	-
Interfund Payable	57,977	14,214	31,035	-	-	192,801	296,027	-
Revenue Bonds Payable	2,585,000	8,410,440	295,000	1,275,000	1,025,000	319,560	13,910,000	-
Capital Lease Payable	-	-	50,195	-	-	-	50,195	-
Unearned Revenue	8,238	2,068	168,647	-	149,725	190,483	519,161	-
Total Current Liabilities	5,685,591	8,598,904	5,792,374	1,532,870	6,609,308	2,393,312	30,612,359	-
Noncurrent Liabilities:								
Compensated Absences	119,154	15,219	109,360	-	43,241	60,759	347,733	-
Advance From Other Funds	707,619	103,373	582,128	-	-	995,205	2,388,325	-
Revenue Bonds Payable	8,550,566	10,552,528	3,960,749	16,885,710	11,355,000	6,833,939	58,138,492	-
Capital Lease Payable	-	-	4,333	-	-	-	4,333	-
Other Post Employment Benefits	189,602	40,989	83,985	-	15,612	99,907	430,095	-
Net Pension Liability	1,243,937	444,263	1,155,085	-	355,411	1,243,937	4,442,633	-
Total Noncurrent Liabilities	10,810,878	11,156,372	5,895,640	16,885,710	11,769,264	9,233,747	65,751,611	-
TOTAL LIABILITIES	16,496,469	19,755,276	11,688,014	18,418,580	18,378,572	11,627,059	96,363,970	-
DEFERRED INFLOWS OF RESOURCES								
Debt Refunding Deferments	-	-	-	370,260	-	-	370,260	-
Pension Plan Deferments	48,239	17,228	44,793	-	13,783	48,239	172,282	-
OPEB Plan Deferments	501	108	222	-	41	264	1,136	-
TOTAL DEFERRED INFLOWS OF RESOURCES	48,740	17,336	45,015	370,260	13,824	48,503	543,678	-
NET POSITION								
Net Investment In Capital Assets	16,751,537	2,658,206	6,309,615	-	3,887,591	7,531,807	37,138,756	-
Restricted For Debt Service	12,139,660	107,130	234,463	2,828,983	1,428,567	127,441	16,866,244	-
Unrestricted	5,014,008	1,243,063	(6,988,158)	696,726	(5,917,299)	(4,944,631)	(10,896,291)	4,265,172
TOTAL NET POSITION	33,905,205	4,008,399	(444,080)	3,525,709	(601,141)	2,714,617	43,108,709	4,265,172
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 50,450,414	\$ 23,781,011	\$ 11,288,949	\$ 22,314,549	\$ 17,791,255	\$ 14,390,179	140,016,357	\$ 4,265,172
Net position - total enterprise funds							43,108,709	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							152,113	
Net position of business-type activities							\$ 43,260,822	

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						GOVERNMENTAL
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	ACTIVITIES - INTERNAL SERVICE FUND
OPERATING REVENUES:							
Sales	\$ 43,028,104	\$ 3,372,280	\$ 1,830,242	\$ 1,495,484	\$ 641,658	\$ 9,109,496	\$ 59,477,264
OPERATING EXPENSES:							
Production	28,434,599	576,189	-	-	-	2,732,380	31,743,168
Distribution / Collections	2,820,570	825,573	-	-	-	1,098,499	4,744,642
Administration	3,717,789	951,760	3,737,706	320,756	1,105,354	3,628,479	13,461,844
Depreciation	1,217,143	834,491	766,015	-	628,588	789,033	4,235,270
TOTAL OPERATING EXPENSES	36,190,101	3,188,013	4,503,721	320,756	1,733,942	8,248,391	54,184,924
OPERATING INCOME (LOSS)	6,838,003	184,267	(2,673,479)	1,174,728	(1,092,284)	861,105	5,292,340
NON-OPERATING REVENUES:							
Investment Earnings (Charges)	152,357	15,896	(18,901)	2,091	(26,351)	9,707	134,799
Intergovernmental	3,458	8,619	20,101	-	954	8,384	41,516
Payments	-	-	-	49,544	-	-	49,544
Gain On Sale Of Capital Assets	8,000	-	-	-	-	40,058	48,058
Miscellaneous Refunds	-	17,750	63,275	-	-	-	81,025
TOTAL NON-OPERATING REVENUES	163,815	42,265	64,475	51,635	(25,397)	58,149	354,942
NON-OPERATING EXPENSES:							
Interest	321,650	387,083	193,840	596,403	462,309	222,815	2,184,100
Issuance Costs And Fiscal Agent Fees	67,368	100,340	119,953	4,500	3,200	15,434	310,795
TOTAL NON-OPERATING EXPENSES	389,018	487,423	313,793	600,903	465,509	238,249	2,494,895
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	6,612,800	(260,891)	(2,922,797)	625,460	(1,583,190)	681,005	3,152,387
CAPITAL CONTRIBUTIONS	515,308	1,510,379	162,422	-	-	2,820,519	5,008,628
TRANSFERS IN (OUT):							
Transfers In	-	485,000	541,195	-	1,599,088	215,519	2,840,802
Transfers Out	(5,720,820)	(702,737)	-	-	-	(1,344,494)	(7,768,051)
TOTAL TRANSFERS IN (OUT)	(5,720,820)	(217,737)	541,195	-	1,599,088	(1,128,975)	(4,927,249)
CHANGE IN NET POSITION	1,407,288	1,031,751	(2,219,180)	625,460	15,898	2,372,549	3,233,766
NET POSITION, JANUARY 1	32,497,917	2,976,648	1,775,100	2,900,249	(617,039)	342,068	39,874,943
NET POSITION, DECEMBER 31	\$ 33,905,205	\$ 4,008,399	\$ (444,080)	\$ 3,525,709	\$ (601,141)	\$ 2,714,617	43,108,709
				Change in net position - total enterprise funds		\$ 3,233,766	
				Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		(24,888)	
				Change in net position - business-type activities		\$ 3,208,878	

The notes to the financial statements are an integral part of this statement.

CITY OF CHASKA, MINNESOTA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND
	ELECTRIC	WATER	COMMUNITY CENTER	TURBINE GENERATOR	CURLING CENTER	NONMAJOR ENTERPRISE	TOTALS	
CASH FLOWS FROM OPERATING ACTIVITIES:								
Receipts From Customers And Users	\$ 41,921,538	\$ 3,310,532	\$ 1,496,690	\$ 1,495,484	\$ 608,178	\$ 8,842,565	\$ 57,674,987	\$ 793,270
Payments To Suppliers	(32,447,189)	(1,653,394)	(1,533,834)	(325,920)	(480,844)	(4,846,720)	(41,287,901)	(938,582)
Payments To Employees	(2,187,447)	(755,852)	(2,270,504)	-	(639,225)	(2,354,902)	(8,207,930)	182,946
Net Cash Provided (Used) By Operating Activities	7,286,902	901,286	(2,307,648)	1,169,564	(511,891)	1,640,943	8,179,156	37,634
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:								
Transfers From Other Funds	-	485,000	541,195	-	1,599,088	215,519	2,840,802	-
Transfers To Other Funds	(5,720,820)	(76,000)	-	-	-	(339,000)	(6,135,820)	(9,690)
Due From Other Funds	-	(224,319)	-	-	-	(160,193)	(384,512)	750,000
Due To Other Funds	-	-	2,708,434	-	415,372	695,706	3,819,512	-
Interfund Loans To Other Funds	950,137	-	-	54,675	-	-	1,004,812	(1,000,000)
Interest Payments On Interfund Loans	-	-	-	49,544	-	-	49,544	-
Intergovernmental	3,458	8,619	20,101	-	954	8,384	41,516	-
Net Cash Provided (Used) By Non-Capital Financing Activities	(4,767,225)	193,300	3,269,730	104,219	2,015,414	420,416	1,235,854	(259,690)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Proceeds From Revenue Bonds	2,190,148	8,438,262	2,814,541	-	-	928,443	14,371,394	-
Capital Contributions	515,308	30,142	162,422	-	-	173,300	881,172	-
Principal Paid On Bonds	(430,000)	(625,000)	(3,075,000)	(1,220,000)	(1,000,000)	(205,000)	(6,555,000)	-
Principal Paid on Capital Leases	-	-	(47,013)	-	-	-	(47,013)	-
Interest And Fiscal Charges	(362,913)	(481,438)	(279,255)	(866,750)	(475,836)	(179,456)	(2,645,648)	-
Proceeds From Sale Of Capital Assets	8,000	-	-	-	-	54,962	62,962	-
Construction And Acquisition of Capital Assets	(2,976,663)	(136,523)	(495,847)	-	-	(1,616,490)	(5,225,523)	-
Transfers To Other Funds	-	(626,737)	-	-	-	(1,005,494)	(1,632,231)	-
Lease Payments Received	-	-	-	991,315	-	-	991,315	-
Interfund Loan Payments To Other Funds	(54,675)	(13,783)	(29,524)	-	-	(159,932)	(257,914)	-
Interest Payments On Interfund Loans	(49,544)	(6,224)	(31,464)	-	-	(43,508)	(130,740)	-
Net Cash Provided (Used) By Capital And Related Financing Activities	(1,160,339)	6,578,699	(981,140)	(1,095,435)	(1,475,836)	(2,053,175)	(187,226)	-
CASH FLOWS FROM INVESTING ACTIVITIES:								
Interest (Charges) On Investments	160,211	18,692	(18,901)	5,114	(26,351)	11,192	149,957	21,431
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,519,549	7,691,977	(37,959)	183,462	1,336	19,376	9,377,741	(200,625)
CASH AND CASH EQUIVALENTS, January 1	13,145,857	851,593	273,666	4,229,163	1,427,900	1,767,142	21,695,321	598,991
CASH AND CASH EQUIVALENTS, December 31	<u>\$ 14,665,406</u>	<u>\$ 8,543,570</u>	<u>\$ 235,707</u>	<u>\$ 4,412,625</u>	<u>\$ 1,429,236</u>	<u>\$ 1,786,518</u>	<u>\$ 31,073,062</u>	<u>\$ 398,366</u>
CASH AND CASH EQUIVALENTS:								
Cash And Investments	\$ 404,385	\$ 774,166	\$ 1,244	\$ 1,383,512	\$ 669	\$ 1,659,077	\$ 4,223,053	\$ 398,366
Restricted Assets-Revenue Bonds:								
Cash And Investments For Operating And Maintenance	11,159,000	-	-	-	-	-	11,159,000	-
Cash And Investments For Debt Service	3,102,021	7,769,404	234,463	3,029,113	1,428,567	127,441	15,691,009	-
Total Cash And Cash Equivalents	<u>\$ 14,665,406</u>	<u>\$ 8,543,570</u>	<u>\$ 235,707</u>	<u>\$ 4,412,625</u>	<u>\$ 1,429,236</u>	<u>\$ 1,786,518</u>	<u>\$ 31,073,062</u>	<u>\$ 398,366</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:								
Operating Income (Loss)	\$ 6,838,003	\$ 184,267	\$ (2,673,479)	\$ 1,174,728	\$ (1,092,284)	\$ 861,105	\$ 5,292,340	\$ (28,963)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:								
Depreciation Expense	1,217,143	834,491	766,015	-	628,588	789,033	4,235,270	-
Allowance For Uncollectible Accounts	13,039	(80)	(195)	-	(355)	3,530	15,939	-
Miscellaneous Receipts	-	17,750	63,275	-	-	-	81,025	182,946
(Increase) Decrease In Assets And Deferred Outflows:								
Special Assessments	(8,238)	(2,068)	-	-	-	6,633	(3,673)	-
Accounts Receivable	(1,368,420)	(84,551)	63,295	-	23,638	(301,626)	(1,667,664)	(115,863)
Due From Other Governments	250,354	(44)	(224,702)	-	-	-	25,608	-
Inventory	88,816	(39,408)	-	-	-	24,179	73,587	-
Deferred Outflows	(88,211)	(30,615)	(74,211)	-	(22,714)	(82,079)	(297,830)	-
Increase (Decrease) In Liabilities And Deferred Inflows:								
Accounts Payable	(4,825)	(10,797)	49,730	-	2,137	297,693	333,938	(359)
Salaries Payable	(49,460)	(17,079)	(71,482)	-	(20,491)	(41,179)	(199,691)	-
Deposits Payable	(1,539)	5,177	(37,889)	-	11,200	24,953	1,902	-
Compensated Absences Payable	30,439	17,491	14,111	-	21,510	34,078	117,629	-
Net Pension Liability	219,211	70,688	134,079	-	41,370	176,793	642,141	-
Due To Other Governments	258,867	(6,140)	(4,601)	(5,164)	656	9,154	252,772	(127)
Unearned Revenue	8,238	2,068	(197,336)	-	(67,963)	(421)	(255,414)	-
Other Post Employment Benefits	18,351	9,735	23,666	-	5,261	(18,200)	38,813	-
Deferred Inflows - Pensions	(134,866)	(49,599)	(137,924)	-	(42,444)	(142,703)	(507,536)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 7,286,902</u>	<u>\$ 901,286</u>	<u>\$ (2,307,648)</u>	<u>\$ 1,169,564</u>	<u>\$ (511,891)</u>	<u>\$ 1,640,943</u>	<u>\$ 8,179,156</u>	<u>\$ 37,634</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:								
Transfers Of Capital Assets	\$ -	\$ 1,480,237	\$ -	\$ -	\$ -	\$ 2,647,219	\$ 4,127,456	\$ -
Amortization Of Bond Premiums	\$ 19,838	\$ 18,630	\$ 21,092	\$ 213,571	\$ -	\$ 8,854	\$ 281,985	\$ -
Amortization Of Gain On Refunding	\$ -	\$ -	\$ -	\$ 37,026	\$ -	\$ -	\$ 37,026	\$ -

The notes to the financial statements are an integral part of this statement.

Note 1 Summary of Significant Accounting Policies

The City of Chaska (the City) operates under the Optional Plan A form of government pursuant to applicable Minnesota laws and statutes. The Plan A form of government prescribes an Administrator-Council form of organization. The Council consists of an elected mayor and four council members. The City provides services such as, public safety, highways and streets, culture-recreation, public improvements, planning and zoning and general administration. The City operates electric, water, sewer and storm water utilities in addition to a community center, two golf courses, a gas turbine generator and a curling and event center.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units by the Governmental Accounting Standards Board (GASB). In order to enhance the usefulness of the financial statements to the reader the following is a summary of the City's significant accounting policies.

A) The Financial Reporting Entity

These financial statements present the City (primary government) and its component units. The City includes all funds, organizations, institutions, agencies, departments and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationship with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, one organization has been defined and is presented in this report as follows:

Blended component unit – The Chaska Economic Development Authority (Chaska EDA) was established in 1987 by Resolution No. 87-25 of the Chaska City Council. The Chaska EDA is included in these financial statements because the Chaska EDA Board is comprised of City Council members. Activities of the Chaska EDA are financed by a tax levy of the City for that purpose. There are no other statements for the Chaska EDA other than those presented in this report.

B) Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide financial statements and fund financial statements. Government-wide financial statements (Statement of Net Position and Statement of Activities) report information based on the City as a whole. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which

normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Direct expenses also include allocated expenses to functional programs from centralized expenses reported in the Self Insurance fund. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, 2) operating grants and contributions that are restricted to meet the operational requirements of a particular function and 3) capital grants and contributions (including special assessments) that are restricted to meeting the capital requirements of a particular function. Taxes and other internally directed revenues are reported as *general revenues*.

The accounts of the City are organized on the basis of funds and separate “Fund Financial Statements” are provided for in Governmental funds and Proprietary funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions and activities. A fund is a separate accounting entity with self-balancing accounts that include assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements present information for individual major funds in separate columns. Nonmajor funds are presented aggregately in one column in the fund financial statements.

Major Funds

The City reports the following major governmental funds:

- **General Fund** – This fund is the City’s primary operating fund and is used to account for all financial resources except those required to be accounted for in another fund.
- **Public Improvement Projects Capital Project Fund** – This fund accounts for the financing and construction of public improvement projects.

The City reports the following major proprietary funds:

- **Electric Fund** – This fund accounts for the activities of the City’s Electric Utility operations.
- **Water Fund** – This fund accounts for the activities of the City’s Water Utility operations.
- **Community Center Fund** – This fund accounts for activities of the Chaska Community Center operations.
- **Turbine Generator Fund** – This fund accounts for the activities of the City’s Turbine Generator Utility operations.

- **Curling Center Fund** – This fund accounts for the activities of the City’s Curling and Event Center operations.

Additionally, the City reports the following fund type:

- **Internal Service Fund** – Internal service funds account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The City has one Internal Service fund – the Self-Insurance fund. This fund is used to account for the purchase of property, liability and workers’ compensation insurance for all City departments. Costs are allocated to individual departments.

C) Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The economic resources measurement focus aims to report all inflows, outflows, and balances affecting or reflecting an entity’s net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, principal and interest on long-term debt and other long-term obligations are recognized as expenditures to the extent they have matured.

Property taxes, franchise taxes, licenses and interest associated with the current period are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are administrative charges between the City’s enterprise funds and other functions of the government. Elimination of these charges would misrepresent the direct costs and program revenues reported for the various functions concerned.

Proprietary funds are accounted for on a flow of *economic resources measurement focus* and *accrual basis of accounting*. This means that all assets, including capital assets, deferred outflows of resources and all liabilities, including long-term liabilities and deferred inflows of resources associated with fund activity are included on the Statement of Net Position. Proprietary fund type

operating statements present increases (revenues) and decreases (expenses) in net position. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating expenses for all the City's enterprise funds and internal service fund are cost of sales and services, administrative expense and depreciation of capital assets. All other revenues and expenses are reported as non-operating items.

D) Budgetary Accounting

Budgets for the General fund, two Special Revenue funds and one Capital Project fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The non-major Special Revenue funds with budgets are the Mount Pleasant Maintenance & Care fund and the Chaska EDA fund. The budgeted non-major capital project fund is the Equipment Acquisition fund. All annual appropriations lapse at fiscal year-end. Budget schedules for the budgeted non-major funds are included later in this financial report.

E) Cash and Investments

Cash balances from all funds are combined and invested to the extent available as authorized by Minnesota State Statutes. Earnings from such investments are allocated to the respective funds based on applicable cash balance participation by each fund. Investments are stated at fair value, except for investments in external investment pools, which are stated at amortized cost. Cash and cash equivalents consist of available cash, cash deposits and highly liquid investments with an original maturity date at the time of purchase of three months or less. The proprietary funds' portion in the government-wide cash and investment management pool is considered to be cash equivalent. Interest on escrow investments is allocated specifically to the related fund. Investment income is accrued at the balance sheet date.

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See **Note 3** for the City's recurring fair value measurements as of year-end.

F) Receivables

- **Property Tax**

Property tax levies are set by the City Council and must be levied on or before five business days after December 20 each year. Levied property taxes are certified to Carver County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over assessable property. Such taxes become a lien on January 1 and are recorded as receivables by the City on that date. Property taxes are due from taxpayers in two equal installments, on May 15 and October 15. The County provides tax settlements to cities and other local governments three times a year: in July, December, and January of the following year.

Revenues are accrued and recognized in the government-wide financial statements in the current period. In the fund financial statements, taxes that remain unpaid at December 31 are classified as delinquent taxes and have been offset by a deferred inflow of resources, because it is not known when they will be available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

- **Special Assessments**

Special assessments are levied against benefiting properties for the assessable costs of special assessment improvement projects in accordance with state statutes. The City usually adopts assessment rolls before an improvement contract is awarded. Annual installments (including interest) for special assessments are collected by the County in the same manner as property taxes.

The City recognizes special assessment revenue in the government-wide financial statements when the assessment rolls are levied. In the governmental fund financial statements, the City recognizes special assessment revenue when it becomes both measurable and available. Current assessments, which remain unpaid at December 31 are classified as delinquent receivables and together with deferred assessments are fully offset by deferred inflow of resources because it is not known when they will be available to finance current expenditures. Delinquent special assessments receivable at December 31, 2020 totaled \$24,773.

- **Trade Receivables**

Utility and miscellaneous accounts receivable are shown net of an allowance for uncollectible accounts on the Statement of Net Position. On December 31, 2020, the allowance for uncollectible accounts is \$131,945.

G) Short-Term and Long-Term Interfund Receivables/Payables

City operations include activity between individual funds for goods provided or services rendered. The current portions of lending/borrowing arrangements are classified as “interfund receivables/payables.” The long-term portions of interfund receivables and payables are reported as “advance to other funds” and “advance from other funds.”

H) Inventory

The original cost of materials and supplies are recorded as expenditures at the time of purchase for Governmental Funds. These funds do not maintain material amounts of inventories.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first in-first out (FIFO) method. Inventories are recorded as expenses when consumed.

I) Prepaid Items

Certain prepayments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

J) Restricted Assets

In the government-wide statement of net position and proprietary fund financial statements, unspent bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. Investment earnings on these assets are allocated directly to the appropriate funds.

K) Capital Assets

Capital assets, which include property, buildings, improvements, equipment and infrastructure (e.g. roads, bridges, streets, sidewalks, drainage systems and lighting systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Such assets are capitalized at historical cost, or estimated historical cost, for assets where actual historical cost is not available. Donated assets are valued at their estimated acquisition value on the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The City uses the following capitalization policy:

Description	Capitalization Threshold
Land and Land Improvements	\$25,000
Buildings and Building Improvements	25,000
Furniture and Equipment	10,000
Infrastructure	50,000

Depreciation of assets on the government-wide statements for the primary government (governmental and business-type activities) and in the proprietary funds financial statements is charged as an expense against operations using the straight-line method and the following estimated useful lives:

Description	Life
Improvements, other than Buildings	25 - 50 years
Buildings and Building Improvements	25 years
Furniture and Equipment	3 - 25 years
Infrastructure	10 – 50 years

Capital assets not being depreciated include land, because land is believed to have an unlimited useful life; works of art/historical treasures, because these assets do not have a determinable useful life; and construction in progress, because construction on the asset has not been fully completed.

L) Compensated Absences

The City's policy permits employees to accumulate earned, but unused paid personal leave (PPL), vacation, sick leave and compensatory time benefits. Employees are compensated upon termination for unused PPL, vacation and compensatory time. Sick leave is accrued as used or when it becomes likely that it will be paid as termination pay, while PPL, vacation, and compensatory time is recorded as an expense and liability as the benefits accrue in the government-wide and proprietary fund financial statements. The liability for these amounts is reported in governmental funds only if they have matured, for example, due to employee resignations and retirements.

For the General Fund, the City commits a portion of fund balance for compensated absences equal to the three-year average of the percent of compensated absences expected to be used in the coming year. The remaining portion of compensated absences in the General Fund is set aside in Assigned Fund Balance at the discretion of the Administrative Services Director.

M) Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, statements of financial position will sometimes report separate sections for deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources (revenue) until then.

The City reports deferred outflows and inflows of resources related to pensions and other post-employment benefits (OPEB) in the government-wide and enterprise funds Statements of Net Position. These deferred outflows and inflows result from the difference between expected and actual economic experience, changes in actuarial assumptions, difference between projected and actual investment earnings, changes in proportion, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

The City also reports deferred inflows of resources related to debt refunding in the government-wide and enterprise funds Statements of Net Position. This deferred inflow results from the differences between the resources required to refund debt and the net carrying amount of the refunded issue. These amounts are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Unavailable revenue arises only under the modified accrual basis of accounting and therefore is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues for taxes, special assessments, notes receivable and leases receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

N) Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

O) Fund Balance Classifications

The difference between fund assets and deferred outflows of resources less liabilities and deferred inflows of resources is “fund balance” on the governmental fund statements. In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in governmental funds. These classifications are as follows:

- **Nonspendable** – consists of amounts that cannot be spent because it is not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.
- **Committed** – consists of amounts related to internally imposed constraints that are established by formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purposes unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – consists of amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General fund, assigned amounts represent intended use established by the governing body itself or by an official to which the governing body delegates authority. Pursuant to City Council Resolution, the City’s Administrative Services Director is authorized to establish assignments of fund balance.

- **Unassigned** – is the residual classification for the General fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted as needed. When committed, assigned or unassigned funds are available for expenditure, it is the City's policy to spend committed funds first, assigned funds second and unassigned funds last.

P) Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources in the government-wide and proprietary fund financial statements. Net position is displayed in three components:

- **Net Investment in Capital Assets** - consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.
- **Restricted Net Position** - consists of net position restricted by limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulation of other governments.
- **Unrestricted Net Position** – all other elements of net position that do not meet the definition of "restricted" or "net investment in capital assets" are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

Q) Interfund Transactions

Interfund services provided are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. In the ordinary course of business, transfers between funds are made to finance projects. Other interfund transactions are reported as transfers in/out. Interfund transactions within the respective categories of governmental activities and business-type activities in the government-wide statement of activities are eliminated. The internal balances caption on the government-wide statement of net position represents interfund receivable or payable between governmental and business-type activities.

R) Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America (GAAP), requires management to make estimates and assumptions that affect the amounts reported in the financial statements during the reporting period. Actual results could differ from those estimates.

S) Pension Plans

For purposes of measuring the net pension liability (asset), deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments, and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net pension liability (asset), deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Chaska Fire Department Relief Association Pension Plan (CFDRAPP) and additions to/deductions from CFDRAPP's fiduciary net position have been reported using a one-year look-back period. Investments are reported at fair value.

Note 2 Compliance and Accountability**A) Budget**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annually appropriated budgets are adopted for the General Fund, two Special Revenue Funds: Mount Pleasant Maintenance & Care Fund and Chaska EDA Fund, and one Capital Project Fund: Equipment Acquisition Fund. Budgeted amounts are as originally adopted and as amended by the City Council.

The City follows these procedures in establishing and monitoring the annual budget:

1. Prior to September 30 each year, the City Administrator submits to the City Council a proposed operating budget for the year commencing the following January 1.
2. Public hearings are held to obtain public comments.
3. The budget is legally enacted by resolution after obtaining public comments.
4. The legal level of budgetary control is at the fund level. Budgetary control is maintained by department heads for all assigned divisions. Department heads may reallocate budget appropriations between divisions within the same fund, but not reallocate between funds or functions. The City Administrator may reallocate budget appropriations between functions within the same fund.
5. During the year, expenditures in various categories (i.e., personal services, operating supplies, other services and charges, capital outlay and other financing uses) may exceed the level of appropriation if additional revenues or reduced expenditures in another account are identified and available to offset the additional expenditures.
6. Unused budgeted expenditure appropriations lapse at year-end.
7. Annual appropriated budgets are not adopted for Debt Service Funds because budgetary control is achieved through bond indenture provisions. Budgetary control for other Capital Project Funds is accomplished through project controls, so budgets are not adopted.

B) Excess of Expenditures Over Appropriations

For the year ended December 31, 2020, expenditures exceeded appropriations in the General fund by \$205,037, and the Chaska EDA Special Revenue fund by \$280,047. Variances in the General fund were offset by revenues greater than expected, and transfers into the fund. The Chaska EDA variance was offset with greater than expected revenue.

C) Nonmajor Funds with Negative Equity

The following nonmajor funds maintained a deficit fund balance/net position at December 31, 2020:

Special Revenue Fund	
Chaska EDA	\$ 971,927
Capital Project Funds	
Permanent Improvement Revolving/Storm Water	\$ 221,597
TIF Dist #14 - Downtown Redevelopment	2,143,494
TIF Dist #17 - Chaska Preserve	86,965
TIF Dist #20 - Brewery Project	22,303
TIF Dist #21 - Hot Spot Project	61,757
TIF Dist #22 - Ernst House Project	34,836
TIF Dist #23 - City Square West Project	8,381
Enterprise Funds	
Sewer	\$ 864,027
Par 30 Golf	89,221

The deficit in the Chaska EDA fund is due to various economic development projects. Some of these projects have not received final funding. Ongoing activities of the Chaska EDA fund will eliminate this deficit.

The deficits in the Capital Project funds relate to capital projects that have incurred expenditures but have not received final financing. The TIF District deficits are due to project costs for the district. Tax increment revenue collected in future years will eliminate these deficits. All funds are expected to recover their deficits.

The deficit in the Sewer fund is related to capital projects for infrastructure improvements, and Par 30 Golf deficit is from ongoing operations. Revenue from future operations is expected to eliminate these deficits.

Note 3 Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the government-wide statement of net position as "cash and investments."

Deposits, investments, petty cash and change funds are reported on the City's financial statements as follows:

Statement of Net Position - Government-Wide	
Cash and Investments	\$24,698,384
Restricted Cash and Investments	30,364,376
Total Cash and Investments	<u>\$55,062,760</u>

A) Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposits.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of bank failure, the City's deposits may be lost and not recovered.

Minnesota Statutes require that federal deposit insurance, corporate surety bond or collateral protect all deposits. The fair value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds. Authorized collateral includes the legal investments described below under "credit risk", as well as certain first mortgage notes and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City or in a financial institution other than that furnishing the collateral. The City's investment policies do not further address limiting exposure to custodial credit risk for deposits.

At year-end, the carrying amount of the City's deposits was \$2,993,326, while the balance on the bank records was \$4,464,952. At December 31, 2020, all deposits were insured, or collateralized by securities held by the City's agent in the City's name.

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

B) Investments

The City has the following investments at year-end:

Investment Type	Credit Risk		Fair Value Measurements Using	Interest Risk - Maturity Duration in Years			Total
	Rating	Agency		Less Than 1	1 to 5	More than 5	
U.S. Treasury Securities	N/R	N/R	Level 1	\$ 9,912,425	\$ -	\$ -	\$ 9,912,425
Commercial Paper	A-1	S&P	Level 2	2	-	-	2
Investments in Mutual Funds & Money Markets							
First American Government Obligations	AAAm	S&P	Level 1	N/A	N/A	N/A	2,998,213
100% Treasury MM Fund	AAAm	S&P	Level 1	N/A	N/A	N/A	3,341,274
Minnesota Municipal MM Fund	N/R	N/R	N/A	N/A	N/A	N/A	35,813,577
Total Investments:				<u>\$ 9,912,427</u>	<u>\$ -</u>	<u>\$ -</u>	52,065,491
							Total Deposits 2,993,326
							Petty Cash and Change Funds 3,943
							<u>Total Deposits and Investments \$ 55,062,760</u>

N/A - Not Applicable
N/R - Not Rated

The Minnesota Municipal Money Market Fund (the 4M Fund) is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is a customized cash management program for Minnesota public funds. It is also sponsored and governed by the League of Minnesota Cities since 1987. Allowable under Minnesota Statutes, the 4M Fund is comprised of top quality, highly rated investments.

The 4M Fund is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC. The reported value of the pool is the same as the fair value of the pool share. The City's investment in this fund is measured at amortized cost. For this investment pool, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice required for the Liquid Class; the redemption notice period is 14 days for the Plus Class.

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policies do not address limiting exposure to custodial credit risk.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The City’s investment policies do not further address credit risk.

Concentration Risk – This is the risk associated with investing a significant portion of the City’s investment (considered 5.0 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as Treasuries), investment pools, and mutual funds. The City’s investment policy does not limit the concentration of investments.

Interest Rate Risk - This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City’s investment policy does not limit the duration of investments.

Note 4 Capital Assets

Capital asset activity for Governmental and Business-Type activities for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Reclass & Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 51,583,265	\$ -	\$ -	\$ 615,128	\$ 52,198,393
Works of Art/Treasures	105,027	-	-	-	105,027
Construction In Progress	24,360,264	7,493,127	(441,700)	(15,540,441)	15,871,250
Total capital assets, not being depreciated:	76,048,556	7,493,127	(441,700)	(14,925,313)	68,174,670
Capital assets, being depreciated:					
Buildings	10,195,911	1,148,860	-	-	11,344,771
Other Improvements	20,762,744	36,525	(7,323)	2,972,582	23,764,528
Furniture & Equipment	11,648,450	535,205	(131,894)	239,858	12,291,619
Infrastructure	166,083,919	16,401	-	7,596,318	173,696,638
Total capital assets being depreciated:	208,691,024	1,736,991	(139,217)	10,808,758	221,097,556
Less accumulated depreciation for:					
Buildings	(7,811,758)	(227,610)	-	-	(8,039,368)
Other Improvements	(9,435,511)	(649,583)	7,323	-	(10,077,771)
Furniture & Equipment	(7,765,952)	(751,289)	131,894	(10,901)	(8,396,248)
Infrastructure	(71,889,500)	(5,604,015)	-	-	(77,493,515)
Total accumulated depreciation:	(96,902,721)	(7,232,497)	139,217	(10,901)	(104,006,902)
Total capital assets, being depreciated, net:	111,788,303	(5,495,506)	-	10,797,857	117,090,654
Governmental activities capital assets, net:	\$ 187,836,859	\$ 1,997,621	\$ (441,700)	\$ (4,127,456)	\$ 185,265,324

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclass & Transfers</u>	<u>Ending Balance</u>
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,231,421	\$ -	\$ -	\$ -	\$ 1,231,421
Construction In Progress	7,610,850	2,110,193	-	(6,488,808)	3,232,235
Total capital assets, not being depreciated:	8,842,271	2,110,193	-	(6,488,808)	4,463,656
Capital assets, being depreciated:					
Buildings	73,382,087	96,129	-	4,992,290	78,470,506
Other Improvements	2,205,375	18,189	-	36,570	2,260,134
Furniture & Equipment	10,839,075	915,001	(225,543)	(10,901)	11,517,632
Infrastructure	37,331,957	2,086,011	-	5,587,404	45,005,372
Total capital assets, being depreciated:	123,758,494	3,115,330	(225,543)	10,605,363	137,253,644
Less accumulated depreciation for:					
Buildings	(38,722,634)	(2,190,756)	-	-	(40,913,390)
Other Improvements	(1,260,042)	(136,631)	-	-	(1,396,673)
Furniture & Equipment	(6,138,218)	(614,453)	210,639	10,901	(6,531,131)
Infrastructure	(17,164,998)	(1,293,430)	-	-	(18,458,428)
Total accumulated depreciation:	(63,285,892)	(4,235,270)	210,639	10,901	(67,299,622)
Total capital assets, being depreciated, net:	60,472,602	(1,119,940)	(14,904)	10,616,264	69,954,022
Business-type activities capital assets, net:	<u>\$ 69,314,873</u>	<u>\$ 990,253</u>	<u>\$ (14,904)</u>	<u>\$ 4,127,456</u>	<u>\$ 74,417,678</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental Activities</u>	<u>Business-Type Activities</u>
General Government \$ 270,054	Electric \$ 1,217,143
Economic Development 6,195	Water 834,491
Public Safety 357,572	Sewer 134,977
Public Works 5,993,466	Community Center 766,015
Parks, Recreation and Arts 605,210	Chaska Par 30 3,939
Total Depreciation Expense -	Chaska Town Course 469,036
Governmental Activities: <u>\$ 7,232,497</u>	Storm Water 181,081
	Chaska Curling Center 628,588
	Total Depreciation Expense -
	Business-Type Activities: <u>\$ 4,235,270</u>

Note 5 Lease Receivable Agreements

A) Turbine Generator Lease

The City of Chaska has entered into a Lease Receivable Agreement with the Minnesota Municipal Power Agency (MMPA) in which the City agrees to sell MMPA the peaking power and peaking power capacity of the City's gas turbine generator for a thirty-year period, commencing May 1, 2001. MMPA receives the sole right to operate the facility and to use the power generated from such operation for the term of the agreement. MMPA is responsible for all expenses of operating and maintaining the facility for this period, with the exception of insurance, which is to be purchased by the City. Under the agreement, MMPA will pay the City an amount representing the

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

total cost to the City of constructing the facility plus a predetermined rate of return and interest. The payments are to be made in equal monthly installments over the thirty-year term of the agreement. The total project costs to the City for the constructing of the facility was \$29,144,986. The total lease principal after adjusting for issuance costs and interest earnings is \$28,468,092.

Under the agreement, the City retains ownership of the facility. In the event the facility is destroyed or damaged to the point of being unusable before the end of the agreement, the City would be indemnified by MMPA for any costs in excess of insurance of retiring any remaining debt incurred to build the facility.

A second agreement between the two parties gives MMPA the annual option to continue this agreement for an additional twenty-year period, commencing May 1, 2031. The agreement calls for annual payments of \$500,000 to be made in equal monthly installments. MMPA will have the annual option to cancel the agreement for any of the twenty additional years by giving the City ninety days written notice in advance of May 1 of the year the option will not be exercised.

Annual lease payments through April 1, 2031 are as follows:

Year Ending December 31,	Lease Receivable	
	Principal	Interest
2021	\$ 1,071,261	\$ 1,414,923
2022	1,166,635	1,319,549
2023	1,270,501	1,215,683
2024	1,383,614	1,102,570
2025	1,506,797	979,387
2026-2030	9,801,632	2,629,288
2031	814,161	14,567
Total:	<u>\$ 17,014,601</u>	<u>\$ 8,675,967</u>

B) Recovery Center Lease

In 2017, the Chaska EDA entered into a lease agreement with Five Star Recovery Center. The leased property is a historic single-family home, owned by the City/Chaska EDA. The term of the lease is sixty months commencing May 1, 2017.

Annual lease payments through 2022 are as follows:

Year Ending December 31,	Lease Receivable
	Principal
2021	\$ 32,179
2022	8,104
Total:	<u>\$ 40,282</u>

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Note 6 Long-Term Liabilities

Long-term liabilities for the year ended December 31, 2020 are as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds:					
Equipment Certificates	\$ 3,480,000	\$ -	\$ (295,000)	\$ 3,185,000	\$ 405,000
General Obligation Bonds	1,590,000	-	(300,000)	1,290,000	310,000
Tax Increment Bonds	3,210,000	-	(110,000)	3,100,000	110,000
Taxable Abatement Bonds	620,000	375,000	(385,000)	610,000	35,000
Improvement Bonds	33,595,000	3,930,000	(5,215,000)	32,310,000	4,105,000
G.O. Revenue Bonds	645,000	-	(75,000)	570,000	75,000
Temporary G.O. Bonds	5,205,000	1,750,000	(1,805,000)	5,150,000	5,150,000
EDA Revenue Bonds	-	7,815,000	-	7,815,000	-
EDA Lease Revenue Bonds	9,270,000	-	(280,000)	8,990,000	290,000
Plus: Premium	3,400,438	320,429	(292,858)	3,428,009	-
Total Bonds Payable:	<u>61,015,438</u>	<u>14,190,429</u>	<u>(8,757,858)</u>	<u>66,448,009</u>	<u>10,480,000</u>
Notes Payable:					
Promissory Note Payable	83,696	-	(13,044)	70,652	70,652
Leases Payable:					
Capital Lease Payable	12,878	-	(2,565)	10,313	2,758
Compensated Absences	1,133,435	1,082,873	(797,356)	1,418,952	918,127
Total OPEB Liability	923,890	121,889	(14,409)	1,031,370	-
Net Pension Liability	<u>6,663,644</u>	<u>2,600,012</u>	<u>(1,118,459)</u>	<u>8,145,197</u>	<u>-</u>
Governmental Activity					
Long-term Liabilities:	<u>\$ 69,832,981</u>	<u>\$ 17,995,203</u>	<u>\$ (10,703,691)</u>	<u>\$ 77,124,493</u>	<u>\$ 11,471,537</u>
Business-type Activities					
Bonds Payable:					
General Obligation Revenue Bonds	\$ 17,220,000	\$ 9,060,000	\$ (830,000)	\$ 25,450,000	\$ 8,730,000
Revenue Bonds	26,290,000	1,830,000	(1,650,000)	26,470,000	3,860,000
EDA Lease Revenue Bonds	17,835,000	2,310,000	(4,075,000)	16,070,000	1,320,000
Plus: Premium	3,169,083	1,171,394	(281,985)	4,058,492	-
Total Bonds Payable:	<u>64,514,083</u>	<u>14,371,394</u>	<u>(6,836,985)</u>	<u>72,048,492</u>	<u>13,910,000</u>
Leases Payable:					
Capital Lease Payable	101,541	-	(47,013)	54,528	50,195
Compensated absences	670,314	579,502	(461,873)	787,943	440,210
Total OPEB Liability	391,282	44,822	(6,009)	430,095	-
Net Pension Liability	<u>3,800,492</u>	<u>1,235,934</u>	<u>(593,793)</u>	<u>4,442,633</u>	<u>-</u>
Business-type Activity					
Long-term Liabilities:	<u>\$ 69,477,712</u>	<u>\$ 16,231,652</u>	<u>\$ (7,945,673)</u>	<u>\$ 77,763,691</u>	<u>\$ 14,400,405</u>

For the Governmental Activities, compensated absences, other post-employment benefits and net pension liabilities are generally liquidated by the General fund. In business-type activities, compensated absences, other post-employment benefits and net pension liabilities are liquidated within the respective Enterprise fund.

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Bonds Payable:

The City issues general obligation bonds to provide funds for the construction of capital projects and acquisition of equipment. General obligation bonds have been issued for both governmental and business-type activities.

General obligation debt is supported by the “full faith and credit” of the City including tax increment and improvement bond issues. Bonds in the governmental activities will be repaid by future property tax levies, tax increments or special assessments accumulated in the specific debt service funds. Bonds in the business-type activities will be repaid with the net revenues of the utility issuing the bonds. For both governmental and business-type activities, in the event a deficiency exists at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are available.

The City and the Chaska EDA also issue revenue bonds. Revenue bonds are supported by income derived from lease agreements or specific fee revenues to pay for debt service.

Bonds outstanding for the year ended December 31, 2020 are as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Outstanding 12/31/2020
<u>Governmental Activities</u>					
Bonds Payable					
General Obligation Bonds					
Equipment Certificates					
G.O. Equipment Certificates, Series 2013C	08/15/13	02/01/23	0.90-3.10%	\$ 915,000	\$ 335,000
G.O. Equipment Certificates, Series 2017B	11/29/17	02/01/27	5.00%	1,960,000	1,610,000
G.O. Equipment Certificates, Series 2019B	11/06/19	02/01/29	4.00-5.00%	1,240,000	1,240,000
Total Equipment Certificates				<u>4,115,000</u>	<u>3,185,000</u>
General Obligation Bonds					
G.O. Improvement Bonds, Series 2014A	12/30/14	02/01/24	0.70-3.00%	2,705,000	1,290,000
Tax Increment Bonds					
G.O. Taxable TI Cross-over Refunding Bonds, Series 2013B	08/15/13	12/01/21	2.00-2.75%	580,000	75,000
G.O. Taxable Cross-over Refunding Bonds, Series 2017D	12/27/17	02/01/31	3.00-3.50%	460,000	425,000
G.O. Taxable TI Bonds, Series 2019D	12/04/19	02/01/40	2.55-3.05%	1,670,000	1,670,000
G.O. Taxable TI Bonds, Series 2019D	12/04/19	02/01/40	2.55-3.05%	260,000	260,000
G.O. Taxable TI Bonds, Series 2019D	12/04/19	02/01/40	2.55-3.05%	670,000	670,000
Total Tax Increment Bonds				<u>4,205,000</u>	<u>3,100,000</u>
Taxable Abatement Bonds					
G.O. Taxable Bonds, Series 2017C	11/29/17	02/01/39	1.80-3.45%	245,000	235,000
G.O. Taxable Advance Refunding Bonds, Series 2020D	09/02/20	12/01/32	0.15-1.50%	375,000	375,000
Total Taxable Abatement Bonds				<u>620,000</u>	<u>610,000</u>
Improvement Bonds					
G.O. Improvement Bonds, Series 2012A	08/15/12	02/01/28	2.00-2.40%	2,430,000	1,330,000
G.O. Cross-over Refunding, Series 2012B	08/15/12	02/01/27	2.00-2.30%	3,295,000	1,240,000
G.O. Improvement Bonds, Series 2013A	08/15/13	02/01/35	2.00-4.00%	3,330,000	2,375,000
G.O. Improvement Bonds, Series 2014A	12/30/14	02/01/30	0.70-3.00%	3,080,000	2,170,000
G.O. Improvement Bonds, Series 2015B	08/19/15	02/01/31	3.00-5.00%	5,940,000	4,800,000
G.O. Improvement Bonds, Series 2017B	11/29/17	02/01/38	2.25-5.00%	6,875,000	6,585,000
G.O. Taxable Bonds, Series 2017C	11/29/17	02/01/33	1.70-3.45%	1,790,000	1,545,000
G.O. Cross-over Refunding, Series 2017E	12/27/17	02/01/29	2.01-2.87%	995,000	905,000

(Continued)

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

(Continued)

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Outstanding 12/31/2020
Governmental Activities					
Improvement Bonds (Continued)					
G.O. Improvement Bonds, Series 2019B	11/06/19	02/01/39	2.125-5.00%	4,440,000	4,440,000
G.O. Improvement Bonds, Series 2019D	12/04/19	02/01/35	2.55-3.00%	1,165,000	1,165,000
G.O. Improvement Bonds, Series 2019D	12/04/19	02/01/29	2.55-3.00%	85,000	85,000
G.O. Improvement Refunding, Series 2019E	12/04/19	02/01/33	3.00-5.00%	1,180,000	1,180,000
G.O. Improvement Refunding, Series 2019E	12/04/19	02/01/31	4.00-5.00%	560,000	560,000
G.O. Improvement Bonds, Series 2020C	09/02/20	02/01/37	2.00-5.00%	1,725,000	1,725,000
G.O. Taxable Advance Refunding Bonds, Series 2020D	09/02/20	12/01/34	0.20-1.70%	2,205,000	2,205,000
Total Improvement Bonds				39,095,000	32,310,000
Temporary Bonds					
G.O. Temporary Series 2019A	03/29/19	03/01/21	2.58%	6,955,000	5,150,000
G.O. Revenue Bonds					
G.O. Cross-over Refunding, Series 2012B	08/15/12	02/01/27	2.00-2.30%	1,380,000	570,000
EDA Revenue Bonds					
EDA Taxable Installment Purchase Revenue Bonds, Series 2020A	03/09/20	12/01/40	1.75-3.08%	6,285,000	6,285,000
EDA Taxable Installment Purchase Revenue Bonds, Series 2020B	07/08/20	12/01/40	1.47-3.40%	1,530,000	1,530,000
Total EDA Revenue Bonds				7,815,000	7,815,000
EDA Lease Revenue Bonds					
Lease Revenue Bonds, Series 2015B	04/15/15	02/01/35	2.00-4.00%	9,000,000	8,305,000
Lease Revenue Bonds, Series 2015D	12/30/15	02/01/26	2.00-4.00%	1,085,000	685,000
Total EDA Lease Revenue Bonds				10,085,000	8,990,000
Premium				4,476,206	3,428,009
Total Bonds Payable - Governmental Activities				\$69,551,206	\$66,448,009
Business-type Activities					
Bonds Payable					
General Obligation Revenue Bonds					
G.O. Water Revenue Partial Advance Refunding Bonds, Series 2009A	10/01/09	12/01/22	2.00-3.25%	\$ 1,495,000	\$ 290,000
G.O. Water Revenue Refunding Bonds, Series 2011A	09/15/11	12/01/32	2.00-4.00%	11,435,000	8,175,000
G.O. Utility Revenue Bonds, Series 2015C	12/30/15	02/01/36	2.00-4.00%	5,170,000	4,320,000
G.O. Utility Revenue Bonds, Series 2017B	11/29/17	02/01/38	2.25-5.00%	735,000	690,000
G.O. Utility Revenue Bonds, Series 2019C	11/06/19	02/01/35	2.00-3.00%	2,135,000	2,135,000
G.O. Utility Revenue Bonds, Series 2019D	12/04/19	02/01/30	2.55-3.00%	780,000	780,000
G.O. Utility Revenue Bonds, Series 2020C	09/02/20	02/01/31	4.00-5.00%	1,215,000	1,215,000
G.O. Taxable Crossover Advance Refunding Bonds, Series 2020D	09/02/20	12/01/32	0.20-1.50%	7,845,000	7,845,000
Total General Obligation Revenue Bonds				30,810,000	25,450,000
Revenue Bonds					
Electric Utility Revenue Bonds, Series 2011D	12/22/11	10/01/31	2.00-3.65%	3,535,000	2,160,000
Electric Revenue Refunding Bonds, Series 2015A	10/01/15	10/01/30	2.00-5.00%	21,760,000	16,025,000
Electric Utility Revenue Bonds, Series 2017A	09/06/17	10/01/37	2.25-4.00%	7,220,000	6,455,000
Electric Utility Revenue Refunding Bonds, Series 2020F	12/29/20	10/01/31	4.00%	1,830,000	1,830,000
Total Revenue Bonds				34,345,000	26,470,000
EDA Lease Revenue Bonds					
Taxable Lease Revenue Bonds, Series 2015A	04/15/15	02/01/35	1.22-4.40%	12,855,000	9,720,000
Taxable Lease Revenue Bonds, Series 2015C	12/30/15	02/01/31	1.53-4.57%	3,410,000	2,660,000
Lease Revenue Refunding Bonds, Series 2017A	12/27/17	12/01/27	2.00-4.00%	1,880,000	1,380,000
EDA Lease Revenue & Limited Tax Refunding Bonds, Series 2020E	09/02/20	12/01/33	4.00-5.00%	2,310,000	2,310,000
Total EDA Lease Revenue Bonds				24,305,000	16,070,000
Premium				5,433,712	4,058,492
Total Bonds Payable - Business-type Activities				\$94,893,712	\$72,048,492

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

General Obligation Bonds:

The City issues the following types of general obligation bonds:

- Equipment certificates and GO bonds provide funding for the acquisition of equipment and vehicles for various departments.
- Tax Increment bonds provide financing for the construction of streets and utilities and the acquisition of property for business development.
- Taxable abatement bonds provide financing for the City's Housing Improvement Areas and Tax Abatement programs.
- Improvement bonds provide financing for construction projects such as streets, infrastructure and utilities.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities									
	G.O. Equipment Certificates		G.O. Bonds		G.O. Tax Increment Bonds		G.O. Abatement Bonds		G.O. Improvement Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 405,000	\$ 141,500	\$ 310,000	\$ 32,350	\$ 110,000	\$ 92,133	\$ 35,000	\$ 10,405	\$ 4,105,000	\$ 1,008,001
2022	435,000	123,030	315,000	22,975	40,000	88,945	35,000	10,165	2,005,000	905,839
2023	460,000	102,957	325,000	13,375	70,000	87,295	40,000	9,897	2,075,000	836,239
2024	360,000	83,550	340,000	4,250	115,000	84,520	35,000	9,575	2,480,000	755,839
2025	380,000	65,050	-	-	120,000	80,995	35,000	9,228	2,515,000	666,082
2026 - 2030	1,145,000	84,925	-	-	680,000	345,547	215,000	38,403	12,505,000	1,977,131
2031 - 2035	-	-	-	-	680,000	244,690	155,000	18,518	5,915,000	385,335
2036 - 2040	-	-	-	-	1,285,000	129,055	60,000	4,140	710,000	26,419
Total:	<u>\$ 3,185,000</u>	<u>\$ 601,012</u>	<u>\$ 1,290,000</u>	<u>\$ 72,950</u>	<u>\$ 3,100,000</u>	<u>\$ 1,153,180</u>	<u>\$ 610,000</u>	<u>\$ 110,331</u>	<u>\$ 32,310,000</u>	<u>\$ 6,560,885</u>

Temporary bonds were issued in 2019 for the Highway 212/44 interchange project. The City issued permanent bonds to replace these temporary bonds as of January 14, 2021. Debt service payments for the temporary bonds are as follows:

Year Ending December 31	Governmental Activities	
	G.O. Temporary Bonds	
	Principal	Interest
2021	<u>\$ 5,150,000</u>	<u>\$ 31,672</u>

General Obligation Revenue Bonds:

G.O. Revenue bonds are issued by the City to construct or expand utility systems. Bonds will be repaid with the net revenues of the Water, Sewer and Storm Water Utilities.

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	G.O. Revenue Bonds		G.O. Revenue Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 75,000	\$ 11,175	\$ 8,730,000	\$ 649,922
2022	75,000	9,675	1,300,000	350,386
2023	85,000	8,075	1,205,000	328,116
2024	75,000	6,475	1,250,000	307,491
2025	85,000	4,833	1,275,000	284,282
2026 - 2030	175,000	4,040	6,955,000	999,515
2031 - 2035	-	-	4,250,000	293,223
2036 - 2038	-	-	485,000	12,350
Total:	<u>\$ 570,000</u>	<u>\$ 44,273</u>	<u>\$ 25,450,000</u>	<u>\$ 3,225,285</u>

Revenue Bonds:

Revenue bonds issued by the City are supported by income derived from specific fee revenues to pay for debt service. These Electric Revenue Bonds will be repaid with net revenues of the Electric Utility and lease revenue in the Turbine Generator fund.

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
2021	\$ 3,860,000	\$ 1,092,388
2022	1,770,000	1,006,875
2023	1,850,000	922,675
2024	1,950,000	834,675
2025	2,035,000	741,925
2026 - 2030	11,715,000	2,175,475
2031 - 2035	2,345,000	346,300
2036 - 2037	945,000	42,750
Total:	<u>\$ 26,470,000</u>	<u>\$ 7,163,063</u>

EDA Revenue and EDA Lease Revenue Bonds

Revenue bonds issued by the Chaska EDA are supported by income derived from specific fee revenues or lease agreements to pay for debt service. These bonds have been issued to construct or improve community parks and community facilities.

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Annual debt service requirements to maturity are as follows:

Year Ending December 31	Governmental Activities				Business-type Activities	
	EDA Lease Revenue Bonds		EDA Revenue Bonds		EDA Lease Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 290,000	\$ 345,400	\$ -	\$ 221,752	\$ 1,320,000	\$ 617,445
2022	300,000	336,550	330,000	204,499	1,370,000	550,450
2023	305,000	326,925	340,000	198,893	1,420,000	504,064
2024	315,000	316,500	345,000	192,977	1,460,000	454,051
2025	325,000	304,700	350,000	186,651	1,530,000	401,875
2026 - 2030	3,430,000	1,148,400	1,865,000	819,208	5,070,000	1,365,405
2031 - 2035	4,025,000	415,100	2,120,000	570,585	3,900,000	393,615
2036 - 2040	-	-	2,465,000	236,788	-	-
Total:	<u>\$ 8,990,000</u>	<u>\$ 3,193,575</u>	<u>\$ 7,815,000</u>	<u>\$ 2,631,353</u>	<u>\$16,070,000</u>	<u>\$ 4,286,905</u>

Revenue Pledged:

Future revenue pledged for the payment of long-term debt (revenue bonds) is as follows:

Bond Issue - Revenue Bonds	Use of Proceeds	Type	Revenue Pledged		Remaining Principal and Interest	Current Year	
			Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
G.O. Water Revenue Bonds:	Water Treatment Plant and Water Systems						\$ 3,372,280
Series 2009A Refunding Bonds	Partial Refund 2003 Bonds	Utility Charges	100%	2009 - 2022	\$ 304,300	\$ 148,475	
Series 2011A Refunding Bonds	Refund 2003 Bonds	Utility Charges	100%	2011 - 2032	8,462,087	750,588	
Series 2020D Crossover Advance Refunding Bonds	Refund 2011A Bonds	Utility Charges	100%	2020 - 2032	8,466,733	17,545	
G.O. Utility Revenue Bonds:	Water, Sanitary Sewer and Storm Water						9,740,777
Series 2015C	Utility System Improvements	Utility Charges	100%	2015 - 2036	5,472,363	349,387	
Series 2017B	Utility System Improvements	Utility Charges	100%	2017 - 2038	926,944	51,687	
Series 2019C	Utility System Improvements	Utility Charges	100%	2019 - 2035	2,559,434	42,552	
Series 2019D	Utility System Improvements	Utility Charges	100%	2019 - 2030	895,901	14,887	
Series 2020C	Utility System Improvements	Utility Charges	100%	2020 - 2031	1,587,523	-	
Electric Revenue Bonds:	Electric Utility Systems and Generating Facilities						1,495,484
Series 2015A Refunding Bonds	Refund 2000 & 2005 Bonds - Turbine Generator	Lease Revenue	100%	2015 - 2030	20,751,750	2,082,250	
Electric Utility Revenue Bonds							43,028,104
Series 2011D	Electric System Improvements	Utility Charges	100%	2011 - 2031	2,182,657	231,570	
Series 2017A	Electric System Improvements	Utility Charges	100%	2017 - 2037	8,418,350	493,975	
Series 2020F	Electric System Improvements	Utility Charges	100%	2020 - 2031	2,280,306	-	
EDA Lease Revenue Bonds:	Community Center Additions and Improvements						1,830,242
Series 2017A Refunding Bonds	Refund 2007A Bonds	Lease Revenue	100%	2017 - 2027	1,563,000	223,700	
Series 2020E Refunding Bonds	Refund 2013A Bonds	Lease Revenue	100%	2020 - 2033	3,065,786	-	
Taxable Lease Revenue Bonds	Curling Center, Event Center and Restaurant						641,658
Series 2015A	Building Construction	Lease Revenue	100%	2015 - 2035	12,398,872	1,168,827	
Series 2015C	Furniture, Fixtures & Equipment	Lease Revenue	100%	2015 - 2031	3,329,247	303,809	
Lease Revenue Bonds	Firemen's Park Improvements						636,052
Series 2015B	Park Construction	Lease Revenue	100%	2015 - 2035	11,415,850	506,300	
Series 2015D	Fixtures and Equipment	Lease Revenue	100%	2015 - 2026	767,725	126,750	
EDA Revenue Bonds:							
Taxable Installment Purchase Revenue Bonds							
Series 2020A	Southwest Park Development	Revenue	100%	2020 - 2040	8,334,489	117,221	359,896
Series 2020B	NE Collector Phase II - Land	Revenue	100%	2020 - 2040	2,111,864	-	84,133

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Arbitrage Rebate:

The Tax Reform Act of 1986 requires governmental entities to pay the federal government income earned on the proceeds from the issuance of debt in excess of interest costs, pending the expenditure of the borrowed funds. This rebate of interest income (known as arbitrage) applies to governmental debt issued after August 31, 1986. In the option of management, any obligation would be immaterial.

Notes Payable:

The Chaska EDA is liable for a promissory note related to Chaska EDA owned property. The annual note payments are offset by lease revenue collected from the current tenant. This note is paid by the Chaska EDA fund.

Promissory Note outstanding for the year ended December 31, 2020 is as follows:

	Issue Date	Final Maturity Date	Interest Rates	Original Issue	Outstanding 12/31/2020
<u>Governmental Activities:</u>					
Promissory Note Payable	11/21/16	11/15/21	4.75%	\$ 120,319	\$ 70,652

Promissory note requirements to maturity are as follows:

Year Ending December 31 2021	Governmental Activities	
	Principal	Interest
	\$ 70,652	\$ 2,872

Capital Leases Payable:

The City has two leases for the acquisition of fitness equipment:

- In 2019, the Chaska Fire Department entered into a lease for the acquisition of fitness equipment. The lease agreement qualified as a capital lease and has been recorded at the present value of the minimum lease payments. The equipment was not capitalized by the City as the equipment was below the City's capitalization threshold. The lease agreement matures in May of 2024 and carries an interest rate of 7.29%. In the event of default on this lease, the Lessor may exercise one or more of the following remedies: (1) declare due, sue for, and receive from Lessee the sum of all payments and other amount due under this agreement; (2) accelerate the payments of any other agreement or lease; (3) require Lessee to return the equipment at its own expense and in good working order; (4) cancel or terminate any lease or any other agreement between Lessee and Lessor; (5) charge and collect from Lessee all other amounts under this agreement; (6) charge Lessee interest on all monies due from and after the date of default at the rate of 18% per annum, compounded monthly, until paid in full; (7) charge Lessee an administrative fee equal to the greater of

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City of Chaska, Minnesota

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\$25.00 or up to 10% of the past due amount, and the fees and expense of any collection agency or attorneys' employed by Lessor to collect sums due.

- In 2018, the Chaska Community Center entered into a lease for the acquisition of fitness equipment. The lease agreement qualifies as a capital lease and was recorded at the present value of the minimum lease payments. The equipment was not capitalized by the City as the equipment was below the City's capitalization threshold. The lease agreement matures in February 2022 and carries an interest rate of 6.57%. In the event of default on this lease, the Lessor may exercise one or more of the following remedies: (1) terminate the agreement and any or all of the Lessee's rights to the property, (2) proceed by court action to take possession from Lessee of any or all property, (3) proceed by court action to enforce performance by Lessee of its obligations or to recover damages for the breach or pursue any other remedy available to Lessor, (4) declare all unpaid lease payments and other sums payable to be immediately due and payable.

Capital Leases outstanding for the year ended December 31, 2020 are as follows:

	Issue Date	Final Maturity Date	Interest Rates	Original Issue	Outstanding 12/31/2020
<u>Governmental Activities:</u>					
Capital Lease Payable	02/19/19	05/01/24	7.29%	<u>\$ 14,290</u>	<u>\$ 10,313</u>
<u>Business-type Activities:</u>					
Capital Lease Payable	03/15/18	02/15/22	6.57%	<u>\$ 183,475</u>	<u>\$ 54,528</u>

The future minimum lease obligation and the net present value of these minimum lease payments are as follows:

Year Ending December 31	Governmental Activities	Business-type Activities
2021	\$ 3,419	\$ 52,284
2022	3,419	4,357
2023	3,419	-
2024	1,425	-
Total Minimum Lease Payments	11,682	56,641
Less: Amount Representing Interest	(1,369)	(2,113)
Present Value of Minimum Lease Payments	<u>\$ 10,313</u>	<u>\$ 54,528</u>

2020 Activity:

During 2020, the City requested \$1,750,000 on a temporary line of credit and paid down \$1,805,000 of principal. On March 29, 2019, the City issued temporary financing for the Highway 212 and CSAH 44 Interchange project. The City issued \$20,000,000 General Obligation Temporary State Aid Street Bonds, Series 2019A, which are structured in the form of a line of credit. Interest is paid quarterly on the amount outstanding at an annual percentage rate of 2.58 percent. The bonds mature March 1, 2021, however, the City will issue permanent bonds prior to that date.

On March 9, 2020, the Chaska EDA issued \$6,285,000 in Taxable Full-Term Installment Purchase Revenue Bonds, Series 2020A with a true interest cost of 2.82 percent (coupons range from 1.75 percent to 3.08 percent). The final maturity date is December 1, 2040. Proceeds of the bonds were used to purchase park land for the Southwest Community Park. These bonds will be repaid from available City sources, including park dedication fees.

On July 8, 2020, the Chaska EDA issued \$1,530,000 in Taxable Full-Term Installment Purchase Revenue Bonds, Series 2020B with a true interest cost of 3.17 percent (coupons range from 1.47 percent to 3.40 percent). The final maturity date is December 1, 2040. Proceeds of the bonds were used to purchase right-of-way for Savannah Way, a major collector road in the southwest area of Chaska. These bonds will be repaid from available City sources, including transportation fees.

On September 2, 2020, the City of Chaska issued \$2,940,000 in General Obligation Bonds, Series 2020C, which includes \$1,725,000 in Improvement Bonds and \$1,215,000 in Utility Revenue Bonds. The true interest cost is 1.18 percent (coupons range from 2.00 percent to 5.00 percent). The final maturity date is February 1, 2037. The Improvement Bonds will be used to finance certain street improvement projects in the City. The Utility Revenue Bonds will be used to finance the utility portion of the street improvement projects. These bonds will be repaid from property taxes and special assessments on properties receiving improvements.

On September 2, 2020, the City of Chaska issued \$10,425,000 in Taxable General Obligation Refunding Bonds, Series 2020D; a current refunding of the City's Taxable General Obligation Tax Abatement Bonds, Series 2010D, a cross-over refunding of the City's General Obligation Water Revenue Refund Bonds, Series 2011A and a cross-over refunding of the City's General Obligation Improvement Bonds, Series 2013A. The true interest cost is 1.12 percent (coupons range from 0.15 percent to 1.70 percent). Proceeds were used to current refund \$365,000 of the 2021 through 2033 outstanding maturities of the 2010D Bonds and will be used to advance refund \$7,670,000 of the 2022 through 2032 outstanding maturities of the 2011A Bonds on December 1, 2021, and advance refund \$2,180,000 of the 2022 through 2035 maturities of the 2013A Bonds on February 1, 2021. The final maturity date is December 1, 2034. The current refunding of the 2010D bonds was done to achieve cost savings of \$104,469, with a net present value benefit of \$99,327. The cross-over advance refunding of the 2011A bonds was done to achieve cost savings of \$1,079,491, with a net present value benefit of \$1,008,604. The cross-over advance refunding of the 2013A bonds was done to achieve cost savings of \$298,708, with a net present value benefit of \$289,142. These bonds will be repaid from sources applicable to each original bond including taxes, tax abatement revenue, special assessments, and net revenue of the water utility.

On September 2, 2020 the Chaska EDA issued \$2,310,000 in Lease Revenue and Limited Tax Refunding Bonds, Series 2020E with a true interest cost of 1.49 percent (coupons range from 4.00 percent to 5.00 percent). The final maturity date is December 1, 2033. The proceeds of the bonds were used to current refund \$2,735,000 of the 2021 through 2033 outstanding maturities of the EDA Lease Revenue and Limited Tax Bonds, Series 2013A. The current refunding was done to achieve cost savings of \$438,607, a net present value benefit of \$368,488. These bonds will be repaid from revenue per the lease agreement.

On December 29, 2020, the City of Chaska issued \$1,830,000 in Electric Utility Revenue Refunding Bonds, Series 2020F with a true interest cost of .80 percent (coupon rate of 4.00 percent).

City of Chaska, Minnesota**For the Year Ended December 31, 2020**

The final maturity date is October 1, 2031. The proceeds of the bonds will be used to current refund \$2,160,000 of the 2021 through 2031 maturities of the Electric Utility Revenue Bonds, Series 2011D. The current refunding was done to achieve cost savings of \$276,267, with a net present value benefit of \$268,143. These bonds will be repaid from net revenues of the electric utility.

2020 Refunding:

On December 4, 2019 the City of Chaska issued \$1,740,000 in General Obligation Improvement Refunding Bonds, Series 2019E; a current refunding of the City's General Obligation Improvement Bonds, Series 2010A and 2010C. The bonds were redeemed February 1, 2020. The true interest cost was 2.08 percent (3.00 percent to 5.00 percent). The final maturity date is February 1, 2033. The proceeds from the bonds were used to refund the 2021 through 2033 outstanding maturities. The current refunding was done to achieve cost savings of \$491,993, with a net present value benefit of \$142,388. These bonds will be repaid from special assessments and tax abatement revenue.

Tax Abatements:

The City implemented a Business Incentive Policy (in accordance with Minnesota Statutes, Sections 116J.993 to 116J.995) to assist developers with solutions that increase employment opportunities, improve and develop facilities in the City and increase the availability of essential services. Under this policy, the City provides tax abatements (in accordance with Minnesota Statutes, Section 469.1813, subdivision 8) for up to three times a new developer's total property taxes. The City has seven agreements that could be considered tax abatements under GASB #77 as of December 31, 2020.

- In 2013, the City entered into a development agreement with Ridgeview Two Twelve North Addition, LLC to aid with the construction of an expansion to an existing medical building. The expansion creates employment opportunities, increases resident access to vital services, and increases the tax base of the City. The City assistance helped cover reimbursable costs, including soil correction, architectural enhancement, and fire safety. The maximum assistance is \$777,926. The City's obligation is terminated after the earlier of 20 years of payments or once the Developer has been paid \$777,926 in tax abatement payments. The City has rebated a total of \$146,819, including \$28,653 in 2020.
- In 2013, the City entered into a development agreement with IP Stream Minneapolis, LLC to aid with the construction of a data center. This new construction developed an underutilized site, creates employment opportunities, and increases the tax base of the City. The City assistance helped cover reimbursable costs, including site acquisition and site improvements. The maximum assistance is \$1,228,500. The City's obligation is terminated after the earlier of 20 years of payments or once the Developer has been paid \$1,228,500 in tax abatement payments. The City has rebated a total of \$89,445, including \$20,589 in 2020.
- In 2014, the City entered into a development agreement with Lucrum Properties, LLC to aid with the expansion of an existing manufacturing facility. The expansion of this high-quality business creates employment opportunities and increases the tax base of the City. The City assistance will help cover reimbursable costs, including storm water and grading

improvements, permit fees, development charges, and parking lot improvements. The maximum assistance is \$144,699. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid \$144,699 in tax abatement payments. The City has rebated a total of \$34,558, including \$8,782 in 2020.

- In 2015, the City entered into a development agreement with Lifecore Biomedical, LLC to aid with the expansion of their existing facilities. The expansion of this high-quality business maximized the use of an underutilized site and increases the tax base of the City. The City assistance will help cover reimbursable costs, including site preparation and grading. The maximum assistance is \$144,623. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid \$144,623 in tax abatement payments. The City has rebated a total of \$21,370, including \$13,067 in 2020.
- In 2016, the City entered into a development agreement with U.S. Bank National Association, to aid with the construction of a new data center. This new construction developed an underutilized site, creates employment opportunities, and increases the tax base, generating substantial revenue for the City. The City assistance will help cover reimbursable costs, including a portion of the construction costs. The maximum assistance is \$548,000. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid \$548,000 in tax abatement payments. The City has rebated a total of \$50,996, including \$26,938 in 2020.
- In 2017, the City of Chaska entered into a development agreement with MSP/Chaska Medical, LLC to aid with construction of a medical office building. This new construction increases the City's tax base, creates employment opportunities, and encourages economic development in its vicinity. The City agreed to reimburse the Developer for eligible construction costs from the proceeds of an interfund loan to the Developer in an amount not to exceed \$280,000 with interest at 3.5 percent per annum. Tax abatement on the property will be used to repay the loan. The loan will terminate the earlier of December 31, 2039 or when the City has received tax abatements sufficient to repay the principal amount of the loan plus accrued interest. The City advanced \$280,000 to MSP/Chaska Medical, LLC in 2018. Tax abatement payments began in 2019. The interfund loan balance at the end of 2020 was \$259,778.
- In 2018, the City of Chaska entered into a development agreement with 3919 Bavaria Road, LLC to aid with construction of a facility for weddings, events, and recreational activities. This new construction increases the City's tax base, creates employment opportunities, and encourages economic development. The City agreed to reimburse the Developer for eligible construction costs. The City assistance will help cover reimbursable costs, including a portion of the construction costs. The maximum assistance is \$656,670. The City's obligation is terminated the earlier of after 20 years of payments or once the Developer has been paid \$656,670 in tax abatement payments. The first tax abatement payment is scheduled for payment in 2021.

Tax Increment Pay-As-You-Go Financing Revenue Notes:

The Chaska EDA has entered into private development agreements to facilitate the financing of certain projects established by the Chaska Housing and Redevelopment Authority (pursuant to Minnesota Statutes, Sections 469.001 to 469.047). The costs of these projects are financed using tax increment generated from established tax increment financing districts (pursuant to Minnesota Statutes, Sections 469.174 to 469.179).

As of December 31, 2020, the Chaska Economic Development Authority has entered into five agreements considered Tax Increment Pay-As-You-Go Financing Revenue Notes under GASB #77. The agreements are not general obligations of the EDA or the City and are payable solely from available tax increment. Each note will be cancelled at the end of the agreement term, whether it has been fully repaid or not. Accordingly, the amounts have not been included in long-term debt because the nature of the notes is that repayment is required only if sufficient tax increments are received. The City's position is that these are obligations to assign future and uncertain revenue sources and as such, is not actual debt in substance.

The five agreements were to assist the developer with the financing of certain costs of a project constructed within the Development District and are as follows:

- In 2002, the Chaska EDA issued a pay-as-you-go note to Chaska Place Apartments in the principal sum of \$992,221 with an interest rate of 6.5 percent per annum and payments due each February 1 and August 1, commencing August 1, 2005, and paid through February 1, 2024. Payments are payable solely from available tax increment derived from the housing development and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 100% of the tax increment received in the prior six months, less the administrative fees charged by the County, and less \$31,750 which shall be retained by the EDA. The current year abatement (TIF note payments) totaled \$165,162. On December 31, 2020, the amount outstanding on the note was \$1,118,242.
- In 2007, the Chaska EDA issued a pay-as-you-go note to Clover Field Sinclair Limited Partnership in the principal sum of \$3,100,000 with an interest rate of 5.65 percent per annum and payments due each February 1 and August 1, commencing August 1, 2008, and paid through February 1, 2030. Payments are payable solely from available tax increment derived from the housing development and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 95% of the tax increment received in the prior six months, less the administrative fees charged by the County. The current year abatement (TIF note payments) totaled \$154,932. On December 31, 2020, the amount outstanding on the note was \$4,133,322.
- In 2004, the Chaska EDA entered into a development agreement with City Square, LLC for private redevelopment. The EDA provided the developer with a \$111,000 subsidy that will be repaid to the EDA as a pay-as-you-go note from available tax increment at a simple non-compounding interest rate of 4 percent with payments due through 2030. The City made a payment to the EDA of \$11,000 in 2020, all of which went to principal. The outstanding balance as of December 31, 2020 is \$30,000.

- In 2015, the Chaska EDA issued a pay-as-you-go note to Chaska Heights Senior Living in the principal sum of \$2,874,667 with an interest rate of 3.25 percent per annum and payments due each February 1 and August 1, commencing August 1, 2018, and paid through February 1, 2044. Payments are payable solely from available tax increment derived from the housing development and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 100% of the tax increment received in the prior six months, less the administrative fees charged by the County, and less \$34,500 which shall be retained by the EDA. The current year abatement (TIF note payments) totaled \$175,533. On December 31, 2020, the amount outstanding on the note was \$2,883,932.
- In 2016, the Chaska EDA issued a pay-as-you-go note to Creeks Run Phase II, LLC in the principal sum of \$242,500 with an interest rate of 4.5 percent per annum and payments due each February 1 and August 1, commencing August 1, 2018, and paid through February 1, 2036. Payments are payable solely from available tax increment derived from the housing development and paid to the EDA. The pay-as-you-go note provides for payment to the developer for 100% of the tax increment received in the prior six months, less the administrative fees charged by the County, and less \$9,000 which shall be retained by the EDA. The current year abatement (TIF note payments) totaled \$10,773. On December 31, 2020, the amount outstanding on the note was \$260,586.

Conduit Debt:

From time to time, the City has issued Industrial Revenue Bonds (IRBs) and Housing Revenue Bonds (HRBs) (Collectively the “Revenue Bonds”) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and housing facilities deemed to be in the public interest. The Revenue Bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the Revenue Bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds, excluding the bonds mentioned below. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2020, there were six series of IRBs outstanding. The aggregate principal amount payable for the three series issued after July 1, 1995, was \$5,448,368. The aggregate principal amount payable for the three series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$9,625,000.

As of December 31, 2020, there were six series of HRBs outstanding. The aggregate principal amounts payable for the four series issued after July 1, 1995 was \$7,100,000. The aggregate principal amount payable for the two series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$6,260,000.

The outstanding HRB balance includes one issue that is backed by the full faith and credit of the City. In 2020, the Carver County Housing and Redevelopment Authority issued \$2,200,000 in Housing Development Revenue Bonds. (These bonds refunded the \$2,850,000 Housing Revenue Bonds of 2010). This issue is secured by housing revenues and, if not so paid, by a tax levy. The bonds are secured by a general obligation pledge of the City.

Note 7 Interfund Receivables, Payables and Transfers

Interfund receivables and payables as of December 31, 2020 are as follows:

Due To/From Other Funds		
Receivable Fund	Payable Fund	Amount
Water	Community Center	\$ 1,627,250
Water	Nonmajor Enterprise	865,885
Internal Service Fund	Community Center	2,750,000
Nonmajor Governmental	Curling Center	4,185,000
Nonmajor Governmental	Nonmajor Governmental	1,189,047
Nonmajor Enterprise	Community Center	600,000
Nonmajor Enterprise	Curling Center	1,000,000
Total:		<u>\$12,217,182</u>

Interfund borrowing is utilized for cash flow purposes to eliminate temporary cash balance deficits.

Interfund Receivables/Payables And Advances To/From Other Funds:					
Receivable Fund	Payable Fund	Interfund Receivables/ Payables	Advances To/From	Total	Purpose
Public Improvement Projects	Community Center	\$ 6,036	\$ 113,222	\$ 119,258	1
Electric	Nonmajor Governmental	-	1,147,736	1,147,736	2
Electric	Nonmajor Governmental	-	152,342	152,342	3
Turbine Generator	Electric	57,977	707,619	765,596	4
Internal Service Fund	Nonmajor Governmental	-	1,000,000	1,000,000	2
Nonmajor Governmental	Nonmajor Governmental	126,015	-	126,015	5
Nonmajor Governmental	Water	14,214	103,373	117,587	6
Nonmajor Governmental	Community Center	24,999	468,906	493,905	1
Nonmajor Governmental	Nonmajor Enterprise	192,801	995,205	1,188,006	7
Total:		<u>\$ 422,042</u>	<u>\$ 4,688,403</u>	<u>\$ 5,110,445</u>	

Explanation of Interfund Receivables/Payables and Advances To/From Other Funds:

- (1) These interfund loans to the Community Center for locker room improvements are from the following funds:
 - Public Improvement Projects - \$119,258 loan balance with \$6,036 due in one year.
 - Public Facilities Fund - \$95,406 loan balance with \$4,829 due in one year.
 - Improvement Revolving Fund - \$398,499 loan balance with \$20,170 due in one year.
- (2) This 2007 loan from the Electric fund and Internal Service fund provides interim financing for TIF District #14 project costs. The outstanding balance of \$2,147,736 will be repaid from tax increment generated by the district as it becomes available.
- (3) This interfund loan from the Electric fund provides interim financing to TIF District #17 for project costs. The outstanding balance of \$152,342 will be repaid from tax increment generated by the district as it becomes available.

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City of Chaska, Minnesota

For the Year Ended December 31, 2020

- (4) This interfund loan from the Turbine Generator fund to the Electric fund was made in 2001 to finance a substation. Of the \$765,596 due at year end, \$57,977 is due in one year.
- (5) These loans eliminate what would have been negative cash in TIF District funds. The outstanding balance of \$126,015 will be repaid from tax increment generated by the districts as it becomes available.
- (6) This interfund loan from the Equipment Acquisition fund to the Water fund is for a shared water/sewer equipment purchase. Of the \$117,587 due at year end, \$14,214 is due in one year.
- (7) These interfund loans are from the Equipment Acquisition fund to the following funds:
 - Sewer fund - \$117,587 loan balance for a shared water/sewer equipment purchase with \$14,214 due in one year.
 - Town Course fund - \$836,084 loan balance for golf equipment purchases with \$121,254 due in one year.
 - Storm Water - \$234,335 loan balance for equipment purchases with \$57,333 due in one year.

Transfers In/Out for 2020 are as follows:

Transfers Out	Transfers In							
	Governmental Funds			Enterprise Funds				Total
	General Fund	Public Improvement Projects	Nonmajor	Water	Community Center	Curling Center	Nonmajor	
General Fund	\$ -	\$ -	\$ 480,000	\$ -	\$ -	\$ -	\$ -	\$ 480,000
Public Improvements	-	-	591,386	-	-	-	-	591,386
Electric	3,934,820	-	1,312,000	-	474,000	-	-	5,720,820
Water	-	-	702,737	-	-	-	-	702,737
Internal Service Fund	-	-	-	-	-	9,690	-	9,690
Nonmajor Governmental	546,666	1,765,753	4,182,908	485,000	67,195	1,589,398	215,519	8,852,439
Nonmajor Enterprise	-	-	1,344,494	-	-	-	-	1,344,494
Total:	<u>\$ 4,481,486</u>	<u>\$ 1,765,753</u>	<u>\$ 8,613,525</u>	<u>\$ 485,000</u>	<u>\$ 541,195</u>	<u>\$ 1,599,088</u>	<u>\$ 215,519</u>	<u>\$ 17,701,566</u>

Explanation of Transfers:

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In the government-wide financial statements, transfers in/out include capital assets transferred from governmental activities to business-type activities in the amount of \$4,127,456. Those transfers are not included in the table above.

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Note 8 Fund Balance

A summary of the governmental fund balance classifications as of December 31, 2020 are as follows:

	General	Public Improvement Projects	Nonmajor Governmental	Totals
<u>Nonspendable:</u>				
Prepaid Expense	\$ 53,268	\$ -	\$ -	\$ 53,268
<u>Restricted for:</u>				
Housing Loan Program	-	-	13,183	13,183
Police Forfeitures & Evidence	-	-	62,799	62,799
Debt Requirements	-	-	10,115,585	10,115,585
Economic Development	-	-	1,941,223	1,941,223
Unspent Bond Proceeds	-	18,875	1,259,767	1,278,642
Total Restricted Fund Balances	-	18,875	13,392,557	13,411,432
<u>Committed to:</u>				
Compensated Absences	970,088	-	-	970,088
Mt. Pleasant Cemetery Care	-	-	246,974	246,974
Economic Development	-	-	103,320	103,320
Capital Equipment	-	-	179,347	179,347
Community Fund Projects	-	-	265,416	265,416
Southwest Chaska Improvements	-	131,941	-	131,941
Street Improvement Program	-	-	4,426,886	4,426,886
Total Committed Fund Balances	970,088	131,941	5,221,943	6,323,972
<u>Assigned to:</u>				
Compensated Absences	448,864	-	-	448,864
Mt. Pleasant Cemetery Care	-	-	11,975	11,975
Road Construction	-	-	1,360,658	1,360,658
Capital Equipment	-	-	1,160,146	1,160,146
Public Facility Improvements	-	-	107,080	107,080
Fire Protection Improvements	-	-	74,114	74,114
Park Improvements	-	-	826,825	826,825
Southwest Chaska Improvements	-	1,019,752	494,649	1,514,401
Community Fund Projects	-	-	74,345	74,345
Housing Improvement	-	-	426,060	426,060
Abatement Programs	-	-	1,961	1,961
Capital Improvements	-	-	3,678,020	3,678,020
Total Assigned Fund Balances	448,864	1,019,752	8,215,833	9,684,449
<u>Unassigned</u>	460,243	(746,337)	(3,564,443)	(3,850,537)
Total Fund Balances:	\$ 1,932,463	\$ 424,231	\$ 23,265,890	\$ 25,622,584

Note 9 Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT.

The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the City is not subject to a deductible. The City's workers compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Property and casualty insurance coverage is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portion of the insurance policies and for any exclusion from the insurance policies. These amounts are considered immaterial to the financial statements.

The City continues to carry commercial insurance for all other risks of loss, including life, disability, dental and health insurance.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

The Self Insurance fund, an internal service fund which charges its costs to user departments, accounts for the risk management activities of the City. The fund is designed to build up a reserve, which will provide the City the opportunity to assume a greater share of its insurance risks and thereby reducing the cost to purchase insurance.

Note 10 Commitments and Contingencies**A) Construction Commitments**

At December 31, 2020, the City had commitments for five uncompleted construction contracts with a remaining balance of \$2,034,400.

B) Federal and State Funding

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of

the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

C) Legal Claims

In connection with the normal conduct of its affairs, the City is involved in various claims litigation and judgments. It is expected that the final settlement of those matters will not materially affect the financial statements of the City.

D) COVID-19

The COVID-19 pandemic has caused economic and financial market volatility in the United States and around the world, along with significant business and operational disruptions for many organizations. Due to the unknown breadth and duration of this pandemic, any potential impact it may have on the City's future operations and financial condition cannot be determined at this time and has not been reflected in these financial statements.

Note 11 Jointly Governed Organizations

The City, in conjunction with 11 other municipalities that provide distribution of electric services, comprises the Minnesota Municipal Power Agency (MMPA). MMPA began operations on July 1, 1995. MMPA purchases power that is purchased and distributed by the 12 municipalities that operate electric distribution systems. MMPA's board of directors is comprised of one member from each participating entity. Except for minimum purchase requirements, no participant has any obligation, entitlement, or residual interest. The City's purchases of power from MMPA for the year ended December 31, 2020 was \$28,434,599. MMPA issues an annual financial report that may be obtained by writing MMPA, 220 S. 6th Street, Suite 1300, Minneapolis, MN 55402, or by calling (612) 349-6868.

Note 12 Defined Benefit Pension Plans

Employees of the City participate in three defined benefit pension plans. Two of the plans are state-wide cost-sharing, multiple employer defined benefit pension plans administered by the PERA of Minnesota: the General Employees Retirement fund and the Public Employees Police and Fire fund. The third is a single-employer defined benefit pension plan administered through the Chaska Fire Department Relief Association (CFDRA). The details of the City's participation in each of these plans are presented later in these notes. The following table summarizes the impact of these plans on the City's government-wide financial statements.

City of Chaska, Minnesota

For the Year Ended December 31, 2020

	PERA Pension Plans			Chaska	
	General	Public	Total	Fire Department	Total
	Employees	Employees		Relief Association	All Plans
	Retirement Fund	Police & Fire Fund			
Net Pension Asset	\$ -	\$ -	\$ -	\$ 434,929	\$ 434,929
Deferred Outflows	1,379,459	2,096,538	3,475,997	611,397	4,087,394
Net Pension Liability	8,885,267	3,702,563	12,587,830	-	12,587,830
Deferred Inflows	344,565	2,387,814	2,732,379	355,150	3,087,529
Pension Revenue	23,850	52,124	75,974	161,529	237,503
Pension Expense	706,968	517,643	1,224,611	771,067	1,995,678

Note 13 Defined Benefit Pension Plans – State-wide

A) Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

1. General Employees Retirement Plan

The General Employees Retirement Plan covers certain full time and part time employees of the City. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Public Employees Police and Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

B) Benefits Provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for

all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. The postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

C) Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2020 and the City was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees fund for the year ended December 31, 2020 were \$845,631. The City's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 11.3 percent of pay to 11.8 percent and employer rates increased from 16.95 percent to 17.70 percent on January 1, 2020. The City's contributions to the Police and Fire Fund for the year ended December 31, 2020, were \$593,739. The City's contributions were equal to the required contributions as set by state statute.

D) Pension Costs**1. General Employees Fund Pension Costs**

At December 31, 2020, the City reported a liability of \$8,885,267 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$273,865. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .1482 percent at the end of the measurement period and .1346 percent for the beginning of the period.

City's proportionate share of the net pension liability	\$ 8,885,267
State's proportionate share of the net pension liability associated with the City	<u>273,865</u>
Total	<u><u>\$ 9,159,132</u></u>

For the year ended December 31, 2020, the City recognized pension expense of \$683,118 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$23,850 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the annual \$16 million contribution.

At December 31, 2020, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 73,530	\$ 33,617
Changes in actuarial assumptions	-	310,948
Differences between projected and actual investment earnings	229,580	-
Changes in proportion	626,973	-
Contributions paid to PERA subsequent to the measurement date	449,376	-
Total:	<u><u>\$ 1,379,459</u></u>	<u><u>\$ 344,565</u></u>

The \$449,376 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Pension Expense Amount</u>
2021	\$ (211,133)
2022	226,283
2023	355,697
2024	214,671
Total:	<u>\$ 585,518</u>

2. Police and Fire Pension Costs

At December 31, 2020, the City reported a liability of \$3,702,563 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .2809 percent at the end of the measurement period and .2839 percent for the beginning of the period.

The State of Minnesota contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million is supplemental state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state aid was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020, the City recognized pension expense of \$490,800 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$26,843 as grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$4.5 million to the Police and Fire Fund.

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid.

The City recognized \$25,281 for the year ended December 31, 2020 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

City's proportionate share of the net pension liability	\$ 3,702,563
State's proportionate share of the net pension liability associated with the City	<u>87,251</u>
Total	<u><u>\$ 3,789,814</u></u>

At December 31, 2020, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 159,694	\$ 155,864
Changes in actuarial assumptions	1,099,895	2,175,845
Differences between projected and actual investment earnings	148,582	-
Changes in proportion	359,122	56,105
Contributions paid to PERA subsequent to the measurement date	<u>329,245</u>	<u>-</u>
Total:	<u><u>\$ 2,096,538</u></u>	<u><u>\$ 2,387,814</u></u>

The \$329,245 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Pension Expense Amount</u>
2021	\$ (177,240)
2022	(825,263)
2023	190,042
2024	194,665
2025	<u>(2,725)</u>
Total:	<u><u>\$ (620,521)</u></u>

E) Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

	General Employees Plan	Police & Fire Plan
Inflation	2.25% per year	2.50% per year
Salary Growth	3.00% per year	3.25% per year
Investment Rate of Return	7.50%	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on Pub-2010 General Employee Mortality table for the General Employees Plan and RP 2014 tables for the Police and Fire Plan for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan. For the Police and Fire Plan, cost of living benefit increases for retirees are 1.0 percent per year as set by state statute.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The four-year experience study used for the Police and Fire Plan was completed in 2016. Inflation and investment return assumptions for the Police and Fire Plan are based on the General Employees Retirement Plan experience study completed in 2019. The most recent four-year experience studies for the Police and Fire Plan were completed in 2020. The recommended assumptions for that plan were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

1. General Employees Fund**Changes in Actuarial Assumptions:**

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality

table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.

- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2. Police and Fire Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	35.5%	5.10%
International Stocks	17.5%	5.30%
Bonds (Fixed Income)	20.0%	0.75%
Alternative Assets (Private Markets)	25.0%	5.90%
Cash	2.0%	0.00%
Total:	100%	

F) Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Chaska, Minnesota

For the Year Ended December 31, 2020

G) Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

Sensitivity Analysis Net Pension Liability at Different Discount Rates				
	General Employees Fund		Police and Fire Fund	
1% Lower	6.50%	\$ 14,240,002	6.50%	\$ 7,379,740
Current Discount Rate	7.50%	\$ 8,885,267	7.50%	\$ 3,702,563
1% Higher	8.50%	\$ 4,468,042	8.50%	\$ 660,343

H) Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

Note 14 Defined Contribution Plan

One council member of the City is covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes five percent of salary which is matched by the elected official's employer. For ambulance services personnel, employer contributions are determined by the employer and for salaried employees, contributions must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives two percent of employer contributions and twenty-five hundredths of one percent (0.25 percent) of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2020 were:

Amount		Percentage of Covered Payroll		Required
Employee	Employer	Employee	Employer	Rate
\$477	\$477	5.00%	5.00%	5.00%

Note 15 Defined Benefit Pension Plans – Fire Relief Association**A) General Information about the Pension Plan**

Plan Description - All members of the Chaska Fire Department (CFD) are covered by a defined benefit pension plan, Chaska Fire Department Relief Association Pension Plan (CFDRAPP), administered by the Chaska Fire Department Relief Association (CFDRA). CFDRAPP is a single-employer defined benefit pension plan. Minnesota Statutes, Chapter 69 grants the authority to the CFDRA Board to establish and amend benefit terms with consenting approval by the Chaska City Council. CFDRA issues a publicly available financial report that can be obtained by writing to City of Chaska, One City Hall Plaza, Chaska, MN 55318-1962 or by phone (952) 448-9200.

Benefits Provided - The plan provides retirement and disability benefits to plan members and beneficiaries.

- Monthly Service Pension: \$2.4525 per month of service with a maximum of 360 months for members starting prior to November 4, 2013. In lieu of monthly payments, a member may elect a lump sum benefit.
- Lump Sum Service Pension: \$7,100 per year of service for members starting on or after November 4, 2013 based on completed years of service up to 30 years.
- Deferred Service Pension: with termination prior to age 50 and at least ten years of service, a deferred pension is payable at age 50 and reduced four percent for each year of service less than twenty years.
- Survivor Benefits: spouse, children or estate receive 100 percent of the member's lump sum benefit.
- Disability Benefit: A disabled member will receive the amount of their monthly service pension based on credited service as of the date eligible.

Members covered by benefit terms - At December 31, 2019, pension plan membership consisted of the following as used to determine Net Pension Liability (Asset) as of December 31, 2020:

Inactive Members Currently Receiving Benefits	43
Inactive Members Currently Receiving Disability Benefits	2
Beneficiaries Currently Receiving Benefits	10
Inactive Members Entitled to But Not Yet Receiving Benefits	5
Active Members	44
Total members	<u>104</u>

Contributions - Minnesota Statutes, Chapter 424 and 424A, authorize pension benefits for volunteer fire relief associations. The CFDRAPP is funded by fire state aid, investment earnings, and, if necessary, employer contributions as specified in Minnesota Statutes and voluntary City contributions. The State of Minnesota contributed \$173,471 in fire state aid to the CFDRAPP on behalf of the CFD for the year ended December 31, 2020, which was recorded as revenue. Required City contributions are calculated annually based on statutory provisions. The City made all required contributions and additional voluntary contributions to the plan for the year ended December 31, 2020 totaling \$357,514. The City's contributions exceed the required contributions as set by State Statutes. Members of the CFD have no obligation to contribute to the plan.

B) Net Pension Liability (Asset)

The CFDRAPP's net pension liability (asset) was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions - The total pension liability in the December 31, 2019 actuarial valuation was determined using the entry age normal actuarial cost method and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	Not applicable as plan members are paid on call volunteers
Investment Rate of Return	5.75% net of pension plan investment expense, including inflation
20-Year Municipal Bond Yield	2.75%

Mortality rates were based on the following:

- Healthy Pre-retirement - RP-2014 employee generational mortality table projected with mortality improvement scale MP-2018 from a base year of 2006.
- Healthy Post-retirement - RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2018 from a base year of 2006. Male rates are adjusted by a factor of 0.96.
- Disabled - RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2018 from a base year of 2006. Male rates are adjusted by a factor of 0.96.

The demographic actuarial assumptions used in the December 31, 2019 valuation were based on the same assumptions used in the June 30, 2019 PERA Police and Fire actuarial valuation, except that the fire relief uses a separate retirement rate assumption based on a review completed in May 2016. The economic actuarial assumptions are reviewed annually as part of the fire relief's annual valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35%	4.76%
International Equity	20%	5.41%
Fixed Income	10%	2.01%
Multi-Class and Commodities	10%	4.53%
Cash and Equivalents	25%	0.74%
Total	100%	

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Discount Rate - The discount rate used to measure the total pension liability was 5.75 percent. The projected cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in Minnesota Statutes. Based on those assumptions and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

C) Changes in the Net Pension Liability (Asset)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Beginning Balance - January 1, 2020	\$ 5,321,449	\$ 5,563,879	\$ (242,430)
Changes For The Year:			
Service Cost	100,284	-	100,284
Interest	326,559	-	326,559
Change in Benefits Terms	642,398	-	642,398
Differences Between Expected and Actual Experience	(58,684)	-	(58,684)
Changes in Assumptions	250,267	-	250,267
Contribution - Employer	-	488,466	(488,466)
Net Investment Income	-	974,719	(974,719)
Benefit Payments, Including Member Contribution Refunds	(393,593)	(393,593)	-
Administrative Costs	-	(9,862)	9,862
Total Net Changes	<u>867,231</u>	<u>1,059,730</u>	<u>(192,499)</u>
Ending Balance - December 31, 2020	<u>\$ 6,188,680</u>	<u>\$ 6,623,609</u>	<u>\$ (434,929)</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate - The following presents the net pension liability (asset) of the CFDRAPP, calculated using the discount rate of 5.75 percent, as well as what the CFDRAPP's net pension liability (asset) would be if it were calculated using a discount rate 1 percentage point lower (4.75 percent) or 1 percentage point higher (6.75 percent) than the current discount rate:

	Net Pension Liability (Asset)
1% Decrease in Discount Rate (4.75%)	\$ 228,574
Current Discount Rate (5.75%)	(434,929)
1% Increase in Discount Rate (6.75%)	(991,237)

Pension Plan Fiduciary Net Position - Detailed information about the CFDRAPP's fiduciary net position is available in the separately issued CFDR financial report.

City of Chaska, Minnesota

For the Year Ended December 31, 2020

D) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the CFDRAPP recognized pension expense of \$771,067. At December 31, 2020, the CFDRAPP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Liability	\$ 11,775	\$ 50,068
Change in Actuarial Assumptions	242,108	-
Differences Between Projected and Actual Investment Earnings	-	305,082
City Contribution Subsequent to the Measurement Date	357,514	-
Total:	<u>\$ 611,397</u>	<u>\$ 355,150</u>

Deferred outflows of resources totaling \$357,514 related to pensions resulting from City contributions to the plan subsequent to the measurement date will be recognized as an addition of the net pension asset in the year ending December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to the plan will be recognized in pension expense as follows:

Year Ended December 31:	Pension Expense Amount
2021	\$ (61,980)
2022	(37,818)
2023	63,272
2024	(93,134)
2025	28,393
Total:	<u>\$ (101,267)</u>

Note 16 Other Post-Employment Benefits (OPEB) Plan**A) Plan Description**

The City's defined benefit OPEB plan provides a single-employer defined benefit health care plan to eligible employees. The plan offers group health insurance benefits. Medical coverage is administered by Blue Cross Blue Shield. It is the City's policy to periodically review its group health insurance plans and to obtain requests for proposals in order to provide the most favorable benefits and premiums for the City's employees and retirees. No assets are accumulated in a trust.

B) Benefits Provided

The City is required by State Statute to allow retirees to continue participation in the City's group health insurance plan if the individual terminates service with the City through service retirement or disability retirement. Retirees may obtain dependent coverage while the participating retiree is under age 65. Covered spouses may continue coverage after the retiree's death. The surviving

City of Chaska, Minnesota**For the Year Ended December 31, 2020**

spouse of an active employee may continue coverage in the group health insurance plan after the employee's death.

Retirees are required to pay 100 percent of their premium cost for the City-sponsored group health insurance plan in which they participate. The premium is a blended rate determined on the entire active and retiree population. Since the projected claims costs for retirees exceed the blended premium paid by retirees, the retirees are receiving an implicit rate subsidy (benefit). The coverage levels are the same as those afforded to active employees. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

C) Contributions

The required contributions are based on projected pay-as-you-go financing requirements. For the current year, the City's required pay-as-you go finance benefits totaled \$31,247.

D) Members

Membership in the plan consisted of the following as of the latest actuarial valuation:

Inactive employees or beneficiaries currently receiving benefits	2
Active employees	156
Total	<u>158</u>

E) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2020, using the entry age, level percentage of pay method. The following actuarial assumptions were applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.90%
20-year Municipal Bond Yield	2.90%
Salary Increases	Service graded table - Rates vary based on service and employee classification
Inflation Rate	2.50%
Medical Trend Rate	6.50% as of January 1, 2020 grading to 5.00% over 6 years and then to 4.00% over the next 48 years
Mortality Assumption	Pub-2020 Pulic Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale

F) Changes in the Total OPEB Liability

The City's total OPEB liability of \$1,461,465 was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Beginning Balance - January 1, 2020	\$ 1,315,172
Changes for the Year	
Service Cost	117,461
Interest	46,644
Assumption Changes	(4,415)
Differences Between Expected and Actual Economic Experience	25,260
Benefit Payments	(38,657)
Net Changes	146,293
Ending Balance - December 31, 2020	\$ 1,461,465

Assumption changes since the prior measurement date include the following:

- The health care trend rates, mortality tables, and salary increase rates were updated.
- The discount rate was changed from 3.30% to 2.90%

G) OPEB Liability Sensitivity

The following presents the total OPEB Liability of the City as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percent lower and 1 percent higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
OPEB Discount Rate	1.90%	2.90%	3.90%
Total OPEB Liability	\$1,578,912	\$1,461,465	\$1,350,015

The following presents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percent lower or 1 percent higher than current healthcare cost trend rates:

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
OPEB Healthcare Trend Rate	5.50% decreasing to 4.00% then 3.00%	6.50% decreasing to 5.00% then 4.00%	7.50% decreasing to 6.00% then 5.00%
Total OPEB Liability	\$1,289,212	\$1,461,465	\$1,665,128

City of Chaska, Minnesota

For the Year Ended December 31, 2020

H) OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources

For the current year ended, the City recognized OPEB expense of \$166,711. As of year-end, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 22,102	\$ -
Changes in actuarial assumptions	-	3,863
Contributions subsequent to the measurement date	31,247	-
Total:	<u>\$ 53,349</u>	<u>\$ 3,863</u>

A total of \$31,247 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>OPEB Expense Amount</u>
2021	\$ 2,606
2022	2,606
2023	2,606
2024	2,606
2025	2,606
Thereafter	5,209
Total:	<u>\$ 18,239</u>

Note 17 Subsequent Events**A) Issuance of General Obligation State Aid Street Bonds, Series 2021A**

In January 2021, the City issued \$4.94 million General Obligation State Aid Street Bonds (Series 2021A) to permanently finance the City's portion of the improvements to CSAH 44, including the interchange with Highway 212. The bonds were issued with a premium. The bond coupon rates are 4.00 percent for bonds maturing from 2022 to 2030. The coupon rates range from 1.00 percent for bonds maturing in 2031 to 1.70 percent for bonds maturing in 2041 (final maturity date). The true interest cost of the issued bonds is 1.29 percent.

B) Minnesota River Station Breaker

In 2020, the City in conjunction with Minnesota Municipal Power Agency (MMPA) completed installation of a new breaker at the Minnesota River Station. Installation of this breaker provides benefits to the City on the distribution side of the substation and benefits to MMPA on the transmission side.

Notes to the Financial Statements

City of Chaska, Minnesota

For the Year Ended December 31, 2020

MMPA and the City previously entered into a Purchased Power Agreement as part of the financing issued by the City in 2000 for the Minnesota River Station. By entering into a new Equipment Lease Agreement with the City, MMPA is permitted to use the breaker for the remaining term on the Purchasing Power Agreement and for an optional renewal period. The terms of the lease will reimburse the City for total project costs of \$558,877 at an annual interest rate of 2.75 percent over a period from January 1, 2021 through April 30, 2031.

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2020

PERA – General Employees Retirement Fund Schedule of City’s and Non-Employer Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City’s Proportion of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Proportionate Share of the State of Minnesota’s Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City’s Share of the State of Minnesota’s Share of the Net Pension Liability	City’s Covered Payroll	City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.13%	\$ 6,504,061	\$ -	\$ 6,504,061	\$7,374,827	88.19%	78.19%
12/31/2016	06/30/2016	0.13%	10,441,682	136,394	10,578,076	7,962,313	131.14%	68.90%
12/31/2017	06/30/2017	0.13%	8,439,559	106,148	8,545,707	8,515,662	99.11%	75.90%
12/31/2018	06/30/2018	0.13%	7,350,557	241,206	7,591,763	8,829,904	83.25%	79.50%
12/31/2019	06/30/2019	0.13%	7,441,732	231,323	7,673,055	9,526,900	78.11%	80.20%
12/31/2020	06/30/2020	0.15%	8,885,267	273,865	9,159,132	10,567,372	84.08%	79.10%

PERA – General Employees Retirement Fund Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 573,571	\$ 573,571	\$ -	\$7,647,695	7.50%
12/31/2016	622,514	622,514	-	8,301,166	7.50%
12/31/2017	645,781	645,781	-	8,613,210	7.50%
12/31/2018	684,782	684,782	-	9,130,403	7.50%
12/31/2019	761,477	761,477	-	10,153,003	7.50%
12/31/2020	845,631	845,631	-	11,275,134	7.50%

Schedule is intended to present information for 10 years. Additional years will be displayed as they become available

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2020

PERA – Public Employees Police and Fire Fund Schedule of City’s and Non-Employer Proportionate Share of Net Pension Liability

City Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	City’s Proportion of the Net Pension Liability	City’s Proportionate Share of the Net Pension Liability	City’s Proportionate Share of the State of Minnesota’s Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the City’s Share of the State of Minnesota’s Share of the Net Pension Liability	City’s Covered Payroll	City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2015	06/30/2015	0.26%	\$ 2,908,759	\$ -	\$ 2,908,759	\$2,345,969	123.99%	86.60%
12/31/2016	06/30/2016	0.25%	9,992,803	-	9,992,803	2,397,786	416.75%	63.90%
12/31/2017	06/30/2017	0.26%	3,564,313	-	3,564,313	2,707,514	131.65%	85.40%
12/31/2018	06/30/2018	0.26%	2,788,387	-	2,788,387	2,761,686	100.97%	88.80%
12/31/2019	06/30/2019	0.28%	3,022,404	-	3,022,404	2,996,128	100.88%	89.30%
12/31/2020	06/30/2020	0.28%	3,702,563	87,251	3,789,814	3,174,551	116.63%	87.20%

PERA – Public Employees Police and Fire Fund Schedule of City Contributions

City Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2015	\$ 384,775	\$ 384,775	\$ -	\$2,375,153	16.20%
12/31/2016	421,074	421,074	-	2,600,914	16.20%
12/31/2017	431,127	431,127	-	2,665,551	16.20%
12/31/2018	471,427	471,427	-	2,910,044	16.20%
12/31/2019	531,854	531,854	-	3,137,782	16.95%
12/31/2020	593,739	593,739	-	3,354,460	17.70%

Schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Chaska Fire Department Relief Association Pension Plan (CFDRAPP), Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

City Fiscal Year-end Date Measurement Date	December 31,					
	2020 2019	2019 (1) 2018	2018 2018	2017 2017	2016 2016	2015 2015
Total Pension Liability						
Service Cost	\$ 100,284	\$ 97,600	\$ 97,600	\$ 76,833	\$ 74,777	\$ 76,662
Interest	326,559	323,454	323,454	307,707	318,368	323,774
Changes of Benefits Terms	642,398	-	-	229,268	-	-
Differences Between Expected & Actual Experience	(58,684)	-	-	23,511	-	(42,040)
Changes of Assumptions	250,267	-	-	68,838	-	-
Benefit Payments, Including Refunds of Member Contributions	(393,593)	(354,522)	(354,522)	(595,443)	(451,119)	(517,365)
Net Change in Total Pension Liability	867,231	66,532	66,532	110,714	(57,974)	(158,969)
Total Pension Liability - Beginning	5,321,449	5,254,917	5,254,917	5,144,203	5,202,177	5,361,146
Total Pension Liability - Ending (a)	\$ 6,188,680	\$ 5,321,449	\$ 5,321,449	\$ 5,254,917	\$ 5,144,203	\$ 5,202,177
Plan Fiduciary Net Position						
Contributions - Employer	\$ 488,466	\$ 465,022	\$ 465,022	\$ 443,793	\$ 427,285	\$ 401,321
Net Investment Income	974,719	(342,294)	(342,294)	819,964	408,073	(220,343)
Benefit payments, Including Refunds of Member Contributions	(393,593)	(354,522)	(354,522)	(595,443)	(451,119)	(517,365)
Administrative Expense	(9,862)	(14,407)	(14,407)	(10,295)	(11,561)	(4,226)
Net Change in Plan Fiduciary Net Position	1,059,730	(246,201)	(246,201)	658,019	372,678	(340,613)
Plan Fiduciary Net Position - Beginning	5,563,879	5,810,080	5,810,080	5,152,061	4,779,383	5,119,996
Plan Fiduciary Net Position - Ending (b)	\$ 6,623,609	\$ 5,563,879	\$ 5,563,879	\$ 5,810,080	\$ 5,152,061	\$ 4,779,383
City's Net Pension Liability (Asset) - Ending (a) - (b)	\$ (434,929)	\$ (242,430)	\$ (242,430)	\$ (555,163)	\$ (7,858)	\$ 422,794
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	107.03%	104.56%	104.56%	110.56%	100.15%	91.87%

(1) The City made a change in accounting principle to utilize the look-back period as of the measurement date. This is an accepted practice and allows the City to complete its Comprehensive Annual Financial Report in a more timely manner. This change required the use of the same actuary study and pension report for the 2018 and 2019 fiscal years.

Note: Schedule is intended to present information for 10 years. Additional years will be displayed as they become available.

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Chaska Fire Department Relief Association Pension Plan (CFDRAPP), Schedule of City Contributions

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially Determined Contribution(ADC) (1)	\$ 208,493	\$ 165,134	\$ 165,134	\$ 265,347	\$ 265,347	\$ 267,302	\$ 267,302	\$ 293,799	\$ 293,799	\$ 246,000
Contributions in Relation to the ADC	530,985	488,466	465,022	443,793	427,285	401,321	361,296	364,512	298,250	299,930
Contribution Deficiency (Excess)	<u>\$ (322,492)</u>	<u>\$ (323,332)</u>	<u>\$ (299,888)</u>	<u>\$ (178,446)</u>	<u>\$ (161,938)</u>	<u>\$ (134,019)</u>	<u>\$ (93,994)</u>	<u>\$ (70,713)</u>	<u>\$ (4,451)</u>	<u>\$ (53,930)</u>

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, either two (2) or three (3) years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal actuarial level dollar cost method
Amortization Method	Actuarial Losses - Amortize loss over ten (10) years per Minnesota Statutes 69.773, Subd 4. (d)(3)(i). Plan Changes - Amortize over twenty (20) years per Minnesota Statutes 69.773, Subd 4. (d)(3)(v).
Remaining Amortization Period	Five (5) years as of December 31, 2019
Asset Valuation Method	Fair Value
Inflation	2.50 percent
Salary Increases	0.00 percent, including inflation
Investment Rate of Return	5.00 percent as per Minnesota State Statutes Chapter 356.215, Subdivision 8
Retirement Age	The latest of age 50 or after 20 years of service
Mortality RP-2014 Combined Mortality Table, fully generational	

Other Information:

On November 4, 2013, benefit terms were modified to add a \$6,000 per year of service lump sum benefit option for individuals who became members before November 4, 2013. Individuals that became members after November 4, 2013 are only entitled to a lump sum service pension.

On May 5, 2014, benefit terms were modified to increase the monthly benefit from \$1.975 to \$2.085 per month of service and to increase the lump sum benefit from \$6,000 to \$6,255 per year of service effective as of June 1, 2014.

On November 7, 2016, benefit terms were modified to increase the monthly benefit from \$2.085 to \$2.185 per month of service and to increase the lump sum benefit from \$6,255 to \$6,486 per year of service as of January 1, 2017.

On October 15, 2018, benefit terms were modified to increase the monthly benefit from \$2.15 to \$2.4525 per month of service and to increase the lump sum benefit from \$6,486 to \$7,100 per year of service effective January 1, 2019

Notes to Schedule ¹ ADC amounts are equal to statutory requirements under Minnesota Statutes 424A.092 and 69.773.

The CFDRAPP is comprised of paid on-call fire fighters paid through the City payroll. There is no covered payroll of the Fire Relief to report.

Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Schedule of Changes in Total OPEB Liability and Related Ratios

	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 117,461	\$ 76,026	\$ 73,812
Interest	46,644	42,360	39,586
Assumption Changes	(4,415)	-	-
Differences Between Expected & Actual Experience	25,260	-	-
Benefit Payments	(38,657)	(21,491)	(41,413)
Net Change in Total OPEB Liability	146,293	96,895	71,985
Total OPEB Liability - Beginning of Year	1,315,172	1,218,277	1,146,292
Total OPEB Liability - End of Year	<u>\$ 1,461,465</u>	<u>\$ 1,315,172</u>	<u>\$ 1,218,277</u>
Covered Payroll	<u>\$ 13,076,715</u>	<u>\$ 10,694,925</u>	<u>\$ 10,383,422</u>
Total OPEB Liability as a Percentage of Covered Payroll	11.2%	12.3%	11.7%

Note: The City implemented GASB Statement No. 75 in fiscal 2018. This schedule is intended to present 10-year trend information. Additional years will be displayed as they become available.

PERA – GENERAL EMPLOYEES RETIREMENT FUND

2020 Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2019 Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044, and 2.50 percent per year thereafter, to 1.25 percent per year.

2018 Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social

Notes to Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Security Cost of living Adjustment, not less than 1.00 percent and not more than 1.5 percent, beginning January 1, 2019.

- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees; disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revisited mortality and interest assumptions

2017 Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years, to 1.00 percent per year through 2044, and 2.50 percent per year thereafter.

2017 Changes in Plan Provisions:

- The state's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The state's contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

2016 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035, and 2.50 percent per year thereafter, to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent, to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2035, and 2.50 percent per year thereafter.

2015 Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the state's contribution of \$6.0 million, which meets the special funding situation, was due September 2015.

PERA – PUBLIC EMPLOYEES POLICE AND FIRE FUND

2020 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

2019 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2018 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2016 to MP-2017.

2018 Changes in Plan Provisions:

- Post-retirement benefit increases were changed to 1.00 percent for all years, with not trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution.

Notes to Required Supplementary Information

City of Chaska, Minnesota

For the Year Ended December 31, 2020

- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter, until the plan reaches 100.00 percent funding, July 1, 2048, if earlier.
- Member contributions were changed from 10.8 percent to 11.3 percent of pay, effective January 1, 2019 and 11.8 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.2 percent to 16.95 percent of pay, effective January 1, 2019, and 17.7 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes in Actuarial Assumptions:

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30.00 percent for vested and non-vested deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 Fully Generational Table to the RP-2014 Fully Generational Table (with base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from RP-2000 Disabled Mortality Table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent for all years, to 1.00 percent per year through 2064, and 2.50 percent thereafter.
- The single discount rate changed from 5.60 percent per annum to 7.50 percent per annum.

2016 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2037, and 2.50 percent thereafter, to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2037, and 2.50 percent per year thereafter.

2015 Changes in Plan Provisions:

- The post-retirement benefit increase to be paid after attainment of the 90.00 percent funding threshold was changed, from inflation up to 2.50 percent, to a fixed rate of 2.50 percent.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2020 Changes in Actuarial Assumptions:

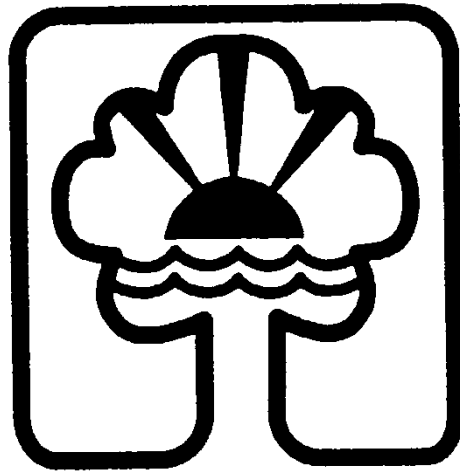
- The medical trend rate was changed from 6.25 percent grading to 5.00 percent over 5 years to 6.50 percent grading to 5.00 percent over 6 years and then to 4.00 percent over the next 48 years.
- The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for Others) with MP-2017 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale.
- The salary increase rates were changed from a flat 3.00 percent per year for all employees to rates which vary by service and employee classification.
- The discount rate was changed from 3.30 percent to 2.90 percent.

2019 Changes in Actuarial Assumptions:

- The medical trend rate was changed from 6.50 percent grading to 5.00 percent over 6 years to 6.25 percent grading to 5.00 percent over 5 years.

2018 Changes in Actuarial Assumptions:

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel) to the RP-2014 White Collar Mortality Tables with MP-2017 Generation Improvement Scale (with Blue Collar adjustment for Police and Fire Personnel).
- The retirement and withdrawal tables for all employees were updated.
- The discount rate was changed from 3.50 percent to 3.30 percent.
- The actuarial cost method was changed from project unit credit to entry age as prescribed by GASB 75.



CHASKA

**Combining and Individual Fund Statements and Schedules
Nonmajor Governmental Funds**

City of Chaska, Minnesota

For the Year Ended December 31, 2020

CITY OF CHASKA, MINNESOTA

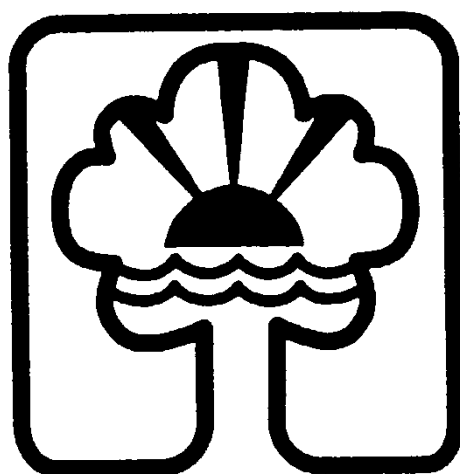
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash And Investments	\$ 434,947	\$ 6,627,234	\$ 9,446,751	\$ 16,508,932
Cash With Escrow Agent	-	3,494,987	-	3,494,987
Receivables:				
Taxes	2,859	2,502	36,028	41,389
Special Assessments	56,264	9,257,279	1,845,073	11,158,616
Accounts	3,223	-	6,688	9,911
Interest	-	-	2,724	2,724
Lease	40,282	-	-	40,282
Notes	9,930	-	-	9,930
Due From Other Funds	-	-	5,374,047	5,374,047
Due From Other Governments	-	-	116,093	116,093
Interfund Receivable	-	-	358,029	358,029
Advance To Other Funds	-	-	1,567,484	1,567,484
TOTAL ASSETS	\$ 547,505	\$ 19,382,002	\$ 18,752,917	\$ 38,682,424
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts Payable	\$ -	\$ 1,400	\$ 552,872	\$ 554,272
Deposits Payable	9,936	8,571	1,314	19,821
Due To Other Funds	973,286	-	215,761	1,189,047
Due To Other Governments	3,398	-	-	3,398
Interfund Payable	-	-	126,015	126,015
Advance From Other Funds	-	-	2,300,078	2,300,078
Unearned Revenue	18,808	1,441,550	215,497	1,675,855
TOTAL LIABILITIES	1,005,428	1,451,521	3,411,537	5,868,486
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Taxes	1,605	1,148	17,107	19,860
Unavailable Revenue - Special Assessments	37,119	7,813,748	1,627,109	9,477,976
Unavailable Revenue - Notes Receivable	9,930	-	-	9,930
Unavailable Revenue - Lease Receivable	40,282	-	-	40,282
TOTAL DEFERRED INFLOWS OF RESOURCES	88,936	7,814,896	1,644,216	9,548,048
FUND BALANCES:				
Restricted	75,982	10,115,585	3,200,990	13,392,557
Committed	350,294	-	4,871,649	5,221,943
Assigned	11,975	-	8,203,858	8,215,833
Unassigned	(985,110)	-	(2,579,333)	(3,564,443)
TOTAL FUND BALANCES	(546,859)	10,115,585	13,697,164	23,265,890
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 547,505	\$ 19,382,002	\$ 18,752,917	\$ 38,682,424

CITY OF CHASKA, MINNESOTA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<u>REVENUES</u>				
Taxes:				
Property	\$ 171,692	\$ 3,177,688	\$ 251,509	\$ 3,600,889
Tax Increment	-	-	1,185,265	1,185,265
Intergovernmental	2,351,068	-	1,294,417	3,645,485
Charges For Services	89,100	-	2,233,447	2,322,547
Fines And Forfeitures	22,163	-	-	22,163
Special Assessments	60,002	1,372,058	538,026	1,970,086
Investment Earnings (Charges)	(3,567)	22,277	152,542	171,252
Other Revenue	58,400	-	225,438	283,838
TOTAL REVENUES	2,748,858	4,572,023	5,880,644	13,201,525
<u>EXPENDITURES</u>				
CURRENT:				
General Government	-	19,231	140,172	159,403
Economic Development	675,489	-	656,973	1,332,462
Public Safety	211,377	-	669	212,046
Public Works	12,788	-	1,140,241	1,153,029
Parks, Recreation And Arts	625	-	88,372	88,997
DEBT SERVICE:				
Principal	13,044	4,380,000	-	4,393,044
Interest	3,756	1,921,638	99,863	2,025,257
Issuance Costs And Fiscal Agent Fees	-	50,860	36,637	87,497
CAPITAL OUTLAY	8,858	-	4,869,382	4,878,240
TOTAL EXPENDITURES	925,937	6,371,729	7,032,309	14,329,975
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,822,921	(1,799,706)	(1,151,665)	(1,128,450)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	1,814	1,911,960	6,699,751	8,613,525
Transfers Out	(1,780,450)	(128,353)	(6,943,636)	(8,852,439)
Bonds Issued	-	-	1,725,000	1,725,000
Refunding Bonds Issued	-	2,580,000	-	2,580,000
Premium on Bonds Issued	-	51,950	268,479	320,429
Payment to Refunding Bond Escrow Agent	-	(2,280,000)	-	(2,280,000)
Sale Of Capital Assets	-	-	14,671	14,671
TOTAL OTHER FINANCING SOURCES (USES)	(1,778,636)	2,135,557	1,764,265	2,121,186
NET CHANGE IN FUND BALANCES	44,285	335,851	612,600	992,736
FUND BALANCES, JANUARY 1	(591,144)	9,779,734	13,084,564	22,273,154
FUND BALANCES, DECEMBER 31	\$ (546,859)	\$ 10,115,585	\$ 13,697,164	\$ 23,265,890



CHASKA

Nonmajor Special Revenue Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Nonmajor Special Revenue funds are used to account for specific revenue sources that are legally restricted or committed to expenditures for specified purposes. The City reports the following funds.

- **Mount Pleasant Maintenance & Care Fund:**
This fund is used to account for property tax levies and lot sales that are legally restricted or committed for the maintenance of the cemetery and principal amounts received and related interest income for the care of Mount Pleasant Cemetery.
- **Chaska EDA Fund:**
This fund is used to report administrative activities associated with the Chaska Economic Development Authority. The authority is authorized to levy ad valorem taxes to provide funds for its operations.
- **Police Forfeitures and Evidence Fund:**
This fund is used to report the activity related to DUI and drug forfeitures. DUI forfeitures are administered in accordance with State Statute 169A.63. This fund is also used to account for evidence in the form of cash deposits, which will either be forfeited or returned to owners.
- **Coronavirus Relief Fund:**
This fund is used to account for the Coronavirus Relief Funds received from the Federal Government as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- **Commercial Revolving Loan Fund:**
This fund is used to accumulate commercial grant and loan payment proceeds.
- **Industrial Revolving Loan Fund:**
This fund is used to accumulate industrial grant and loan payment proceeds. This fund closed in 2020.
- **Grace Gibson Fund:**
This fund is used to account for assets received and related revenues and expenditures associated with Grace Gibson activities. This fund closed in 2020.

CITY OF CHASKA, MINNESOTA

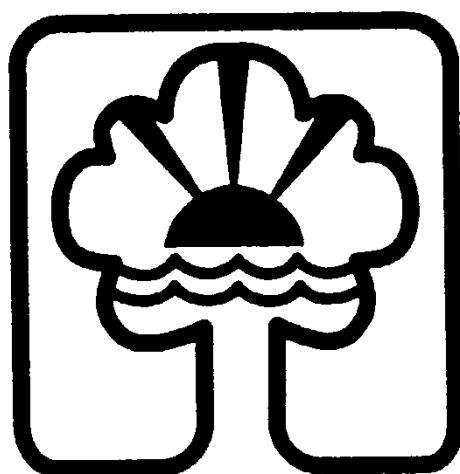
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

	202 & 801	251	206	207	210	211	803	
	MOUNT PLEASANT MAINTENANCE & CARE	CHASKA EDA	POLICE FORFEITURES AND EVIDENCE	CORONAVIRUS RELIEF FUND	COMMERCIAL REVOLVING LOAN	INDUSTRIAL REVOLVING LOAN	GRACE GIBSON	TOTALS
ASSETS								
Cash And Investments	\$ 258,314	\$ 1,814	\$ 71,499	\$ -	\$ 103,320	\$ -	\$ -	\$ 434,947
Receivables:								
Taxes:								
Unremitted	35	1,219	-	-	-	-	-	1,254
Delinquent	38	1,567	-	-	-	-	-	1,605
Special Assessments:								
Unremitted	-	337	-	-	-	-	-	337
Delinquent	-	114	-	-	-	-	-	114
Deferred:								
Certified To County	-	37,005	-	-	-	-	-	37,005
City Owned	-	18,808	-	-	-	-	-	18,808
Accounts	600	2,623	-	-	-	-	-	3,223
Lease	-	40,282	-	-	-	-	-	40,282
Notes	-	-	-	-	9,930	-	-	9,930
TOTAL ASSETS	\$ 258,987	\$ 103,769	\$ 71,499	\$ -	\$ 113,250	\$ -	\$ -	\$ 547,505
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
LIABILITIES:								
Deposits Payable	\$ -	\$ 2,200	\$ 7,736	\$ -	\$ -	\$ -	\$ -	\$ 9,936
Due To Other Funds	-	973,286	-	-	-	-	-	973,286
Due to Other Governments	-	2,434	964	-	-	-	-	3,398
Unearned Revenue	-	18,808	-	-	-	-	-	18,808
TOTAL LIABILITIES	-	996,728	8,700	-	-	-	-	1,005,428
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue - Taxes	38	1,567	-	-	-	-	-	1,605
Unavailable Revenue - Special Assessments	-	37,119	-	-	-	-	-	37,119
Unavailable Revenue - Notes Receivable	-	-	-	-	9,930	-	-	9,930
Unavailable Revenue - Lease Receivable	-	40,282	-	-	-	-	-	40,282
TOTAL DEFERRED INFLOWS OF RESOURCES	38	78,968	-	-	9,930	-	-	88,936
FUND BALANCES:								
Restricted	-	13,183	62,799	-	-	-	-	75,982
Committed	246,974	-	-	-	103,320	-	-	350,294
Assigned	11,975	-	-	-	-	-	-	11,975
Unassigned	-	(985,110)	-	-	-	-	-	(985,110)
TOTAL FUND BALANCES	258,949	(971,927)	62,799	-	103,320	-	-	(546,859)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 258,987	\$ 103,769	\$ 71,499	\$ -	\$ 113,250	\$ -	\$ -	\$ 547,505

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	202 & 801	251	206	207	210	211	803	
	MOUNT PLEASANT MAINTENANCE & CARE	CHASKA EDA	POLICE FORFEITURES AND EVIDENCE	CORONAVIRUS RELIEF FUND	COMMERCIAL REVOLVING LOAN	INDUSTRIAL REVOLVING LOAN	GRACE GIBSON	TOTALS
REVENUES:								
Taxes:								
Property	\$ 6,023	\$ 165,669	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,692
Intergovernmental:								
Federal:								
Coronavirus Relief Funds	-	-	-	2,081,049	-	-	-	2,081,049
State:								
Market Value Credit	1	18	-	-	-	-	-	19
Economic Development Grant	-	270,000	-	-	-	-	-	270,000
Charges For Services	4,100	85,000	-	-	-	-	-	89,100
Fines And Forfeitures	-	-	22,163	-	-	-	-	22,163
Special Assessments	-	60,002	-	-	-	-	-	60,002
Investment Earnings (Charges)	1,399	(5,618)	-	138	504	10	-	(3,567)
Other Revenues	-	42,879	-	-	15,521	-	-	58,400
TOTAL REVENUES	11,523	617,950	22,163	2,081,187	16,025	10	-	2,748,858
EXPENDITURES:								
Current:								
Economic Development	-	571,036	-	101,010	3,443	-	-	675,489
Public Safety	-	-	9,836	201,541	-	-	-	211,377
Public Works	12,788	-	-	-	-	-	-	12,788
Parks, Recreation And Arts	-	-	-	-	-	-	625	625
Debt Service:								
Principal	-	13,044	-	-	-	-	-	13,044
Interest	-	3,756	-	-	-	-	-	3,756
Capital Outlay	-	8,858	-	-	-	-	-	8,858
TOTAL EXPENDITURES	12,788	596,694	9,836	302,551	3,443	-	625	925,937
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,265)	21,256	12,327	1,778,636	12,582	10	(625)	1,822,921
OTHER FINANCING SOURCES (USES):								
Transfers In	-	1,814	-	-	-	-	-	1,814
Transfers Out	-	-	-	(1,778,636)	-	(1,814)	-	(1,780,450)
TOTAL OTHER FINANCING SOURCES (USES)	-	1,814	-	(1,778,636)	-	(1,814)	-	(1,778,636)
NET CHANGE IN FUND BALANCES	(1,265)	23,070	12,327	-	12,582	(1,804)	(625)	44,285
FUND BALANCES, JANUARY 1	260,214	(994,997)	50,472	-	90,738	1,804	625	(591,144)
FUND BALANCES, DECEMBER 31	\$ 258,949	\$ (971,927)	\$ 62,799	\$ -	\$ 103,320	\$ -	\$ -	\$ (546,859)



CHASKA

Nonmajor Debt Service Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Nonmajor debt service funds are used to account for the accumulation of resources and for the payment of principal, interest, and related costs on long-term debt of governmental funds. The individual nonmajor debt service funds are presented to distinguish between the various bond issues. The City reports the following bond types.

- **Improvement Bond Funds:**
These funds service debt on the improvement bonds issued to finance construction of public improvements. Special assessment improvements are paid for completely or in part by property owners deemed to be benefited from such improvements.
- **Tax Increment Bond Funds:**
These funds service debt on the tax increment bonds issued to finance economic development and redevelopment projects.
- **Equipment Certificate Funds:**
These funds service debt on the general obligation equipment certificates issued to finance equipment purchases.
- **Revenue Bond Funds:**
These funds service debt on bonds that are supported by revenue pledged for repayment, such as lease agreements.
- **Tax Abatement Bond Funds:**
These funds service debt from the City's housing improvement areas and tax abatement programs.

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2020

	311	313	314	315	317	318	320	321	322	323	324	325
	\$3,220,000 GO IMP BONDS 2010	\$2,180,000 GO IMP BONDS 2010	\$405,000 TAXABLE GO TA BONDS 2010	\$3,455,000 GO BONDS 2011	\$2,430,000 GO IMP BONDS 2012A	\$4,675,000 GO X-OVER ADV REF BONDS 2012B	\$3,330,000 GO IMP BONDS 2013A	\$580,000 TAXABLE GO TI REF BONDS 2013B	\$915,000 GO EQUIPMENT CERTIFICATES 2013C	\$5,785,000 GO IMP BONDS 2014A	\$9,000,000/ \$1,085,000 EDA LEASE REVENUE BONDS 2015B/2015D	\$5,940,000 GO IMP BONDS 2015B
ASSETS												
Cash And Investments	\$ -	\$ -	\$ 289,448	\$ -	\$ 237,842	\$ 220,231	\$ 301,295	\$ 3,420	\$ 151,187	\$ 579,984	\$ 464,868	\$ 787,091
Cash With Escrow Agent	-	-	-	-	-	-	2,179,183	-	-	-	988,996	-
Receivables:												
Taxes:												
Unremitted	-	-	-	-	-	-	-	-	-	-	-	-
Delinquent	-	-	1,144	-	-	4	-	-	-	-	-	-
Special Assessments:												
Unremitted	-	-	-	-	398	93	398	-	-	-	-	-
Delinquent	-	-	-	-	-	88	-	-	-	-	-	3,527
Deferred:												
Certified To County	-	-	-	-	95,549	397,913	848,441	-	-	121,926	-	303,127
City Owned	-	-	-	-	177,787	10,453	269,031	-	-	-	-	438,832
TOTAL ASSETS	\$ -	\$ -	\$ 290,592	\$ -	\$ 511,576	\$ 628,782	\$ 3,598,348	\$ 3,420	\$ 151,187	\$ 701,910	\$ 1,453,864	\$ 1,532,577
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES												
LIABILITIES:												
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	177,787	10,453	269,031	-	-	-	-	438,832
TOTAL LIABILITIES	-	-	-	-	177,787	10,453	269,031	-	-	-	-	438,832
DEFERRED INFLOWS OF RESOURCES:												
Unavailable Revenue - Taxes	-	-	1,144	-	-	4	-	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-	95,549	398,001	848,441	-	-	121,926	-	306,654
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	1,144	-	95,549	398,005	848,441	-	-	121,926	-	306,654
FUND BALANCES:												
Restricted	-	-	289,448	-	238,240	220,324	2,480,876	3,420	151,187	579,984	1,453,864	787,091
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ -	\$ 290,592	\$ -	\$ 511,576	\$ 628,782	\$ 3,598,348	\$ 3,420	\$ 151,187	\$ 701,910	\$ 1,453,864	\$ 1,532,577

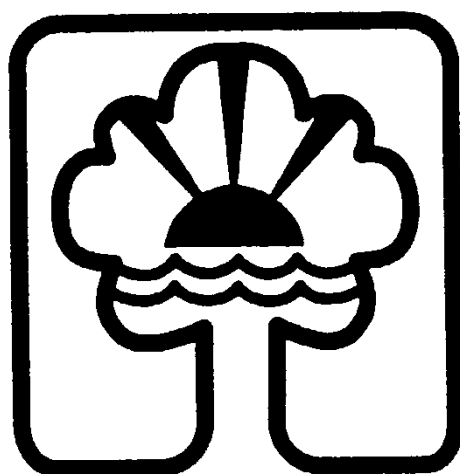
326	327	328	329	330	331	332	333, 334, 335	336	337	338	339		
\$9,570,000 GO IMP BONDS 2017B	\$2,035,000 TAXABLE GO BONDS 2017C	\$460,000 TAXABLE GO X-OVER REF BONDS 2017D	\$995,000 GO X-OVER REF BONDS 2017E	TEMPORARY IMPROVEMENT BONDS 2019A	\$5,680,000 GO IMP BONDS 2019B	\$1,250,000 TAXABLE GO IMP BONDS 2019D	\$2,600,000 TAXABLE GO TIF BONDS 2019D	\$1,740,000 GO IMP REF BONDS 2019E	\$6,285,000 TAXABLE REVENUE BONDS 2020A	\$1,530,000 TAXABLE REVENUE BONDS 2020B	\$1,725,000 GO IMP BONDS 2020C	TOTALS	
\$ 1,710,073	\$ 482,479	\$ 54,983	\$ 171,371	\$ 38,001	\$ 468,695	\$ 89,121	\$ 38,560	\$ 303,611	\$ -	\$ -	\$ 234,974	\$ 6,627,234	<u>ASSETS</u>
-	-	-	-	-	-	-	-	-	242,675	84,133	-	3,494,987	Cash And Investments
-	-	-	-	-	-	-	-	1,354	-	-	-	1,354	Cash With Escrow Agent
-	-	-	-	-	-	-	-	-	-	-	-	1,148	Receivables:
-	-	-	-	-	-	-	-	-	-	-	-	-	Taxes:
324	-	-	381	-	387	-	-	-	-	-	-	1,981	Unremitted
-	9,631	-	2,921	-	1,359	-	-	-	-	-	-	17,526	Delinquent
2,747,197	958,904	-	27,968	-	967,261	638,813	-	877,064	-	-	-	7,984,163	Special Assessments:
-	-	-	-	-	357,506	-	-	-	-	-	-	1,253,609	Unremitted
\$ 4,457,594	\$ 1,451,014	\$ 54,983	\$ 202,641	\$ 38,001	\$ 1,795,208	\$ 727,934	\$ 38,560	\$ 1,182,029	\$ 242,675	\$ 84,133	\$ 234,974	\$ 19,382,002	Delinquent
													Deferred:
													Certified To County
													City Owned
													TOTAL ASSETS
													<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>
\$ 450	\$ 450	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400	<u>LIABILITIES:</u>
8,571	-	-	-	-	-	-	-	-	-	-	-	8,571	Accounts Payable
-	-	-	-	-	357,506	-	-	187,941	-	-	-	1,441,550	Deposits
9,021	450	-	-	-	358,006	-	-	187,941	-	-	-	1,451,521	Unearned Revenue
-	-	-	-	-	-	-	-	-	-	-	-	-	TOTAL LIABILITIES
2,747,197	968,535	-	30,889	-	968,620	638,813	-	689,123	-	-	-	7,813,748	DEFERRED INFLOWS OF RESOURCES:
2,747,197	968,535	-	30,889	-	968,620	638,813	-	689,123	-	-	-	7,814,896	Unavailable Revenue - Taxes
1,701,376	482,029	54,983	171,752	38,001	468,582	89,121	38,560	304,965	242,675	84,133	234,974	10,115,585	Unavailable Revenue - Special Assessments
\$ 4,457,594	\$ 1,451,014	\$ 54,983	\$ 202,641	\$ 38,001	\$ 1,795,208	\$ 727,934	\$ 38,560	\$ 1,182,029	\$ 242,675	\$ 84,133	\$ 234,974	\$ 19,382,002	TOTAL DEFERRED INFLOWS OF RESOURCES
													FUND BALANCES:
													Restricted
													TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	311	313	314	315	317	318	320	321	322	323	324	325
	\$3,220,000 GO IMP BONDS 2010	\$2,180,000 GO IMP BONDS 2010	\$405,000 TAXABLE GO TA BONDS 2010	\$3,455,000 GO BONDS 2011	\$2,430,000 GO IMP BONDS 2012A	\$4,675,000 GO X-OVER ADV REF BONDS 2012B	\$3,330,000 GO IMP BONDS 2013A	\$580,000 TAXABLE GO TI REF BONDS 2013B	\$915,000 GO EQUIPMENT CERTIFICATES 2013C	\$5,785,000 GO IMP BONDS 2014A	\$9,000,000/ \$1,085,000 EDA LEASE REVENUE BONDS 2015B/2015D	\$5,940,000 GO IMP BONDS 2015B
REVENUES:												
Taxes:												
Property	\$ -	\$ 223	\$ 20,000	\$ 115,000	\$ 167,000	\$ 144,000	\$ 330,000	\$ -	\$ 123,000	\$ 471,000	\$ -	\$ 490,000
Special Assessments	100,986	19,737	-	26,842	21,900	63,326	26,240	-	-	23,749	-	55,778
Investment Earnings	692	1,447	1,528	-	636	356	474	-	435	1,469	3,002	2,576
TOTAL REVENUES	101,678	21,407	21,528	141,842	189,536	207,682	356,714	-	123,435	496,218	3,002	548,354
EXPENDITURES:												
Current:												
General Government	3,100	850	-	2,700	-	-	-	-	-	3,100	6,200	3,100
Debt Service:												
Principal	560,000	140,000	10,000	1,230,000	150,000	205,000	195,000	75,000	105,000	490,000	280,000	330,000
Interest	21,125	21,548	24,907	18,906	30,030	40,085	88,932	3,938	10,739	106,225	353,050	201,994
Issuance Costs And Fiscal Agent Fees	-	-	4,737	-	525	-	26,148	-	-	-	3,200	-
TOTAL EXPENDITURES	584,225	162,398	39,644	1,251,606	180,555	245,085	310,080	78,938	115,739	599,325	642,450	535,094
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(482,547)	(140,991)	(18,116)	(1,109,764)	8,981	(37,403)	46,634	(78,938)	7,696	(103,107)	(639,448)	13,260
OTHER FINANCING SOURCES (USES):												
Transfers In	-	41,166	-	33,407	-	30,000	-	80,000	-	-	633,050	-
Transfers Out	(103,201)	(25,152)	-	-	-	-	-	-	-	-	-	-
Refunding Bonds Issued	-	-	375,000	-	-	-	2,205,000	-	-	-	-	-
Premium on Bonds Issued	-	-	-	-	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	(620,000)	(1,295,000)	(365,000)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(723,201)	(1,278,986)	10,000	33,407	-	30,000	2,205,000	80,000	-	-	633,050	-
NET CHANGE IN FUND BALANCES	(1,205,748)	(1,419,977)	(8,116)	(1,076,357)	8,981	(7,403)	2,251,634	1,062	7,696	(103,107)	(6,398)	13,260
FUND BALANCES, JANUARY 1	1,205,748	1,419,977	297,564	1,076,357	229,259	227,727	229,242	2,358	143,491	683,091	1,460,262	773,831
FUND BALANCES, DECEMBER 31	\$ -	\$ -	\$ 289,448	\$ -	\$ 238,240	\$ 220,324	\$ 2,480,876	\$ 3,420	\$ 151,187	\$ 579,984	\$ 1,453,864	\$ 787,091

326	327	328	329	330	331	332	333, 334, 335	336	337	338	339		
\$9,570,000 GO IMP BONDS 2017B	\$2,035,000 TAXABLE GO BONDS 2017C	\$460,000 TAXABLE GO X-OVER REF BONDS 2017D	\$995,000 GO X-OVER REF BONDS 2017E	TEMPORARY IMPROVEMENT BONDS 2019A	\$5,680,000 GO IMP BONDS 2019B	\$1,250,000 TAXABLE GO IMP BONDS 2019D	\$2,600,000 TAXABLE GO TIF BONDS 2019D	\$1,740,000 GO IMP REF BONDS 2019E	\$6,285,000 TAXABLE REVENUE BONDS 2020A	\$1,530,000 TAXABLE REVENUE BONDS 2020B	\$1,725,000 GO IMP BONDS 2020C	TOTALS	
													REVENUES:
													Taxes:
\$ 550,000	\$ -	\$ -	\$ 120,000	\$ -	\$ 419,000	\$ -	\$ -	\$ 228,465	\$ -	\$ -	\$ -	\$ 3,177,688	Property
625,729	212,081	-	5,908	-	111,753	78,029	-	-	-	-	-	1,372,058	Special Assessments
5,502	1,894	91	500	1	859	179	115	334	79	3	105	22,277	Investment Earnings
1,181,231	213,975	91	126,408	1	531,612	78,208	115	228,799	79	3	105	4,572,023	TOTAL REVENUES
													EXPENDITURES:
													Current:
181	-	-	-	-	-	-	-	-	-	-	-	19,231	General Government
350,000	135,000	35,000	90,000	-	-	-	-	-	-	-	-	4,380,000	Debt Service:
355,725	49,345	14,500	23,710	142,913	170,203	23,665	50,441	52,436	117,221	-	-	1,921,638	Principal
450	450	450	450	13,950	500	-	-	-	-	-	-	50,860	Interest
706,356	184,795	49,950	114,160	156,863	170,703	23,665	50,441	52,436	117,221	-	-	6,371,729	Issuance Costs And Fiscal Agent Fees
474,875	29,180	(49,859)	12,248	(156,862)	360,909	54,543	(50,326)	176,363	(117,142)	3	105	(1,799,706)	TOTAL EXPENDITURES
													EXCESS (DEFICIENCY) OF REVENUES
													OVER (UNDER) EXPENDITURES
													OTHER FINANCING SOURCES (USES):
-	20,466	45,242	-	142,913	18,747	-	59,800	128,353	359,817	84,130	234,869	1,911,960	Transfers In
-	-	-	-	-	-	-	-	-	-	-	-	(128,353)	Transfers Out
-	-	-	-	-	-	-	-	-	-	-	-	2,580,000	Refunding Bonds Issued
-	-	-	-	51,950	-	-	-	-	-	-	-	51,950	Premium on Bonds Issued
-	-	-	-	-	-	-	-	-	-	-	-	(2,280,000)	Payment to Refunded Bond Escrow Agent
-	20,466	45,242	-	194,863	18,747	-	59,800	128,353	359,817	84,130	234,869	2,135,557	TOTAL OTHER FINANCING SOURCES (USES)
474,875	49,646	(4,617)	12,248	38,001	379,656	54,543	9,474	304,716	242,675	84,133	234,974	335,851	NET CHANGE IN FUND BALANCES
1,226,501	432,383	59,600	159,504	-	88,926	34,578	29,086	249	-	-	-	9,779,734	FUND BALANCES, JANUARY 1
\$ 1,701,376	\$ 482,029	\$ 54,983	\$ 171,752	\$ 38,001	\$ 468,582	\$ 89,121	\$ 38,560	\$ 304,965	\$ 242,675	\$ 84,133	\$ 234,974	\$ 10,115,585	FUND BALANCES, DECEMBER 31



CHASKA

Nonmajor Capital Projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

- **Tax Increment Funds:**
These funds receive revenue from general property taxes in the form of tax increment. Revenues are used by the Chaska Economic Development Authority (EDA) to promote affordable housing and development by providing financing aids to developers.
- **Major Road Construction Fund:**
This fund collects Minnesota State Aid (MSA) revenue designated for road construction.
- **Permanent Improvement Revolving Funds:**
These funds are used to collect development fees charged for the purpose of construction of the City's utility systems. Three separate funds are shown: the Water trunk fund, the Sewer trunk fund and the Storm Water trunk fund.
- **Highway 312 Metropolitan Council Right-of-Way Acquisition Loan Fund:**
This fund is used to account for the land acquisitions for a highway funded by R.A.L.F. This fund closed in 2020.
- **Public Facilities Capital Improvement Fund:**
This fund is used to account for sources to be used to finance future capital facility construction and improvements to existing City facilities.
- **Fire Protection Systems Fund:**
This fund is used to account for receipts and expenditures for the fire protection systems.
- **Improvement Revolving Fund:**
This fund is used to fund un-bonded improvement projects.
- **Equipment Acquisition Fund:**
This fund is used to collect property tax levies appropriated by budget for capital equipment acquisition.
- **Park Development Fund:**
This fund is used to collect park dedication fees for construction of City parks.
- **Southwest Chaska Transportation Fund:**
This fund is used to account for fees charged to developers for the expansion of transportation projects in the southwest Chaska area.
- **Community Fund:**
This fund is used to account for resources to support current and future improvement projects.
- **Housing Improvement Area Projects Fund:**
This fund is used to account for the financing of private housing improvements administered through the City's HIA policy. Property owners are assessed 100 percent of the improvements.
- **Abatement Program Fund:**
This fund is used to account for the City and EDA's Tax Abatement program.
- **Annual Street Replacement Fund:**
These funds are used for City street reconstruction.

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2020

		401	402	403	404	405	407	444	445
	TAX INCREMENT	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	HWY. 312 RALF LOANS	PUBLIC FACILITIES CAPITAL IMPROVEMENT	FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING
ASSETS									
Cash And Investments	\$ 2,010,018	\$ 1,360,007	\$ 924,153	\$ 746,767	\$ -	\$ -	\$ 67,170	\$ 74,114	\$ 17,766
Receivables:									
Taxes:									
Unremitted	623	-	-	-	-	-	-	-	-
Delinquent	-	-	-	-	-	-	-	-	-
Special Assessments:									
Unremitted	-	-	116	156	141	-	-	-	1,966
Delinquent	-	-	-	-	-	-	-	-	7,120
Deferred:									
Certified To County	-	-	60,426	56,434	33,562	-	-	-	984,672
City Owned	-	-	-	-	-	-	-	-	215,497
Accounts	-	-	-	-	-	-	-	-	-
Interest	253	651	198	436	-	-	-	-	-
Due From Other Funds	-	-	-	1,189,047	-	-	-	-	-
Due From Other Governments	-	-	-	-	-	-	-	-	-
Interfund Receivable	-	-	-	-	-	-	4,829	-	146,185
Advance To Other Funds	-	-	-	-	-	-	90,577	-	378,329
TOTAL ASSETS	\$ 2,010,894	\$ 1,360,658	\$ 984,893	\$ 1,992,840	\$ 33,703	\$ -	\$ 162,576	\$ 74,114	\$ 1,751,535
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
LIABILITIES:									
Accounts Payable	\$ -	\$ -	\$ 5,881	\$ 11,783	\$ 5,977	\$ -	\$ 55,496	\$ -	\$ -
Deposits Payable	1,314	-	-	-	-	-	-	-	-
Due To Other Funds	-	-	-	-	215,761	-	-	-	-
Interfund Payable	126,015	-	-	-	-	-	-	-	-
Advance From Other Funds	2,300,078	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	215,497
TOTAL LIABILITIES	2,427,407	-	5,881	11,783	221,738	-	55,496	-	215,497
DEFERRED INFLOWS OF RESOURCES:									
Unavailable Revenue - Taxes	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	60,426	56,434	33,562	-	-	-	991,792
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	60,426	56,434	33,562	-	-	-	991,792
FUND BALANCES:									
Restricted	1,941,223	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	1,360,658	918,586	1,924,623	-	-	107,080	74,114	544,246
Unassigned	(2,357,736)	-	-	-	(221,597)	-	-	-	-
TOTAL FUND BALANCES	(416,513)	1,360,658	918,586	1,924,623	(221,597)	-	107,080	74,114	544,246
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,010,894	\$ 1,360,658	\$ 984,893	\$ 1,992,840	\$ 33,703	\$ -	\$ 162,576	\$ 74,114	\$ 1,751,535

448	449	450	451	452	453	524		
EQUIPMENT ACQUISITION	PARK DEVELOPMENT	SOUTHWEST CHASKA TRANSPORTATION	COMMUNITY FUND	HOUSING IMPROVEMENT AREA PROJECTS	ABATEMENT PROGRAM	ANNUAL STREET REPLACEMENT	TOTALS	
\$ 468,574	\$ 847,316	\$ 494,531	\$ 339,761	\$ 425,960	\$ 73,669	\$ 1,596,945	\$ 9,446,751	ASSETS
18,298	-	-	-	-	-	-	18,921	Cash And Investments
17,107	-	-	-	-	-	-	17,107	Receivables:
-	88	-	-	-	-	-	2,467	Taxes:
-	-	-	-	-	-	-	7,120	Unremitted
-	319,650	1,684	-	-	-	163,561	1,619,989	Delinquent
-	-	-	-	-	-	-	215,497	Special Assessments:
2,216	-	-	-	-	4,472	-	6,688	Unremitted
73	68	118	-	100	-	827	2,724	Delinquent
-	-	-	-	-	-	4,185,000	5,374,047	Deferred:
330	-	-	-	-	-	115,763	116,093	Certified To County
207,015	-	-	-	-	-	-	358,029	City Owned
1,098,578	-	-	-	-	-	-	1,567,484	Accounts
\$ 1,812,191	\$ 1,167,122	\$ 496,333	\$ 339,761	\$ 426,060	\$ 78,141	\$ 6,062,096	\$ 18,752,917	Interest
								Due From Other Funds
								Due From Other Governments
								Interfund Receivable
								Advance To Other Funds
								TOTAL ASSETS
								LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
\$ -	\$ 20,647	\$ -	\$ -	\$ -	\$ 76,180	\$ 376,908	\$ 552,872	LIABILITIES:
-	-	-	-	-	-	-	1,314	Accounts Payable
-	-	-	-	-	-	-	215,761	Deposits Payable
-	-	-	-	-	-	-	126,015	Due To Other Funds
-	-	-	-	-	-	-	2,300,078	Interfund Payable
-	-	-	-	-	-	-	215,497	Advance From Other Funds
-	-	-	-	-	-	-	-	Unearned Revenue
-	20,647	-	-	-	76,180	376,908	3,411,537	TOTAL LIABILITIES
17,107	-	-	-	-	-	-	17,107	DEFERRED INFLOWS OF RESOURCES:
-	319,650	1,684	-	-	-	163,561	1,627,109	Unavailable Revenue - Taxes
17,107	319,650	1,684	-	-	-	163,561	1,644,216	Unavailable Revenue - Special Assessments
455,591	-	-	-	-	-	804,176	3,200,990	FUND BALANCES:
179,347	-	-	265,416	-	-	4,426,886	4,871,649	Restricted
1,160,146	826,825	494,649	74,345	426,060	1,961	290,565	8,203,858	Committed
-	-	-	-	-	-	-	(2,579,333)	Assigned
1,795,084	826,825	494,649	339,761	426,060	1,961	5,521,627	13,697,164	Unassigned
\$ 1,812,191	\$ 1,167,122	\$ 496,333	\$ 339,761	\$ 426,060	\$ 78,141	\$ 6,062,096	\$ 18,752,917	TOTAL FUND BALANCES
								TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	401	402	403	404	405	407	444	445	
	TAX INCREMENT	MAJOR ROAD CONSTRUCTION	PERMANENT IMPROVEMENT REVOLVING/ WATER	PERMANENT IMPROVEMENT REVOLVING/ SEWER	PERMANENT IMPROVEMENT REVOLVING/ STORM WATER	HWY. 312 RALF LOANS	PUBLIC FACILITIES CAPITAL IMPROVEMENT	FIRE PROTECTION SYSTEMS	IMPROVEMENT REVOLVING
REVENUES:									
Taxes:									
General Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Increment	1,185,265	-	-	-	-	-	-	-	-
Intergovernmental:									
State	-	1,168,138	-	-	-	-	-	-	-
Charges For Services:									
Connection Charges	-	-	550,532	450,247	-	-	-	-	-
Acreage Charges	-	-	170,639	229,100	251,305	-	-	-	-
Other Charges for Services	-	-	-	-	-	-	-	-	-
Special Assessments	-	-	29,325	63,448	26,870	-	-	-	44,610
Investment Earnings (Charges)	7,752	12,253	4,140	9,885	(1,583)	6,649	5,043	397	26,554
Other Revenues	11,705	-	-	-	-	-	48,133	-	-
TOTAL REVENUES	1,204,722	1,180,391	754,636	752,680	276,592	6,649	53,176	397	71,164
EXPENDITURES:									
Current:									
General Government	6,026	-	-	-	-	-	123,097	-	-
Economic Development	558,241	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-
Public Works	-	-	61,705	76,205	62,872	-	-	-	-
Parks, Recreation And Arts	-	-	-	-	-	-	-	-	-
Debt Service:									
Interest	99,863	-	-	-	-	-	-	-	-
Issuance Costs And Fiscal Agent Fees	-	-	-	-	-	-	-	-	-
Capital Outlay:									
System Improvements:									
Water	-	-	-	-	-	-	-	-	-
Sanitary Sewer	-	-	-	-	-	-	-	-	-
Streets	-	-	-	-	-	-	-	-	-
Storm Sewer	-	-	-	-	-	-	-	-	-
Other Improvements	-	-	-	-	-	-	-	-	-
Furniture And Equipment	-	-	-	-	-	-	-	-	-
Buildings And Structures	-	-	-	-	-	-	1,085,920	-	-
TOTAL EXPENDITURES	664,130	-	61,705	76,205	62,872	-	1,209,017	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES									
	540,592	1,180,391	692,931	676,475	213,720	6,649	(1,155,841)	397	71,164
OTHER FINANCING SOURCES (USES):									
Transfers In	-	-	-	-	-	-	1,153,521	-	-
Transfers Out	(159,042)	(1,842,803)	(581,935)	(369,826)	(206,186)	(286,607)	-	-	(59,407)
Bonds Issued	-	-	-	-	-	-	-	-	-
Premium On Bonds Issued	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(159,042)	(1,842,803)	(581,935)	(369,826)	(206,186)	(286,607)	1,153,521	-	(59,407)
NET CHANGE IN FUND BALANCES									
	381,550	(662,412)	110,996	306,649	7,534	(279,958)	(2,320)	397	11,757
FUND BALANCES, JANUARY 1									
	(798,063)	2,023,070	807,590	1,617,974	(229,131)	279,958	109,400	73,717	532,489
FUND BALANCES, DECEMBER 31									
	\$ (416,513)	\$ 1,360,658	\$ 918,586	\$ 1,924,623	\$ (221,597)	\$ -	\$ 107,080	\$ 74,114	\$ 544,246

448	449	450	451	452	453	524		
EQUIPMENT ACQUISITION	PARK DEVELOPMENT	SOUTHWEST CHASKA TRANSPORTATION	COMMUNITY FUND	HOUSING IMPROVEMENT AREA PROJECTS	ABATEMENT PROGRAM	ANNUAL STREET REPLACEMENT	TOTALS	
\$ 155,685	\$ -	\$ -	\$ -	\$ -	\$ 95,824	\$ -	\$ 251,509	REVENUES:
-	-	-	-	-	-	-	1,185,265	Taxes:
516	-	-	-	-	-	125,763	1,294,417	General Property
-	-	-	-	-	-	-	1,000,779	Tax Increment
-	576,424	-	-	-	-	-	1,227,468	Intergovernmental:
5,200	-	-	-	-	-	-	5,200	State
-	126,614	912	-	-	-	246,247	538,026	Charges For Services:
56,090	1,030	2,807	(3,295)	1,898	259	22,663	152,542	Connection Charges
131,375	29,753	-	-	-	4,472	-	225,438	Acreage Charges
348,866	733,821	3,719	(3,295)	1,898	100,555	394,673	5,880,644	Other Charges for Services
								Special Assessments
								Investment Earnings (Charges)
								Other Revenues
								TOTAL REVENUES
								EXPENDITURES:
5,011	-	-	-	-	-	6,038	140,172	Current:
-	-	-	-	-	98,732	-	656,973	General Government
669	-	-	-	-	-	-	669	Economic Development
7,967	-	12,030	-	-	-	919,462	1,140,241	Public Safety
-	88,372	-	-	-	-	-	88,372	Public Works
-	-	-	-	-	-	-	99,863	Parks, Recreation And Arts
-	-	-	-	-	-	36,637	36,637	Debt Service:
								Interest
								Issuance Costs And Fiscal Agent Fees
								Capital Outlay:
-	-	-	-	-	-	428,058	428,058	System Improvements:
-	-	-	-	-	-	374,398	374,398	Water
-	-	-	-	-	-	1,893,735	1,893,735	Sanitary Sewer
-	-	-	-	-	-	323,926	323,926	Streets
19,895	46,433	-	-	-	-	-	66,328	Storm Sewer
634,077	-	-	-	-	-	-	634,077	Other Improvements
62,940	-	-	-	-	-	-	1,148,860	Furniture And Equipment
730,559	134,805	12,030	-	-	98,732	3,982,254	7,032,309	Buildings And Structures
								TOTAL EXPENDITURES
(381,693)	599,016	(8,311)	(3,295)	1,898	1,823	(3,587,581)	(1,151,665)	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES
								OTHER FINANCING SOURCES (USES):
49,000	100,000	-	2,130,000	-	-	3,267,230	6,699,751	Transfers In
(850,000)	(97,748)	-	(2,220,527)	-	(20,466)	(249,089)	(6,943,636)	Transfers Out
-	-	-	-	-	-	1,725,000	1,725,000	Bonds Issued
-	-	-	-	-	-	268,479	268,479	Premium On Bonds Issued
14,671	-	-	-	-	-	-	14,671	Sale of Capital Assets
(786,329)	2,252	-	(90,527)	-	(20,466)	5,011,620	1,764,265	TOTAL OTHER FINANCING SOURCES (USES)
(1,168,022)	601,268	(8,311)	(93,822)	1,898	(18,643)	1,424,039	612,600	NET CHANGE IN FUND BALANCES
2,963,106	225,557	502,960	433,583	424,162	20,604	4,097,588	13,084,564	FUND BALANCES, JANUARY 1
\$ 1,795,084	\$ 826,825	\$ 494,649	\$ 339,761	\$ 426,060	\$ 1,961	\$ 5,521,627	\$ 13,697,164	FUND BALANCES, DECEMBER 31

CITY OF CHASKA, MINNESOTA

COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS - TAX INCREMENT
DECEMBER 31, 2020

	426	427	428	429	431	432	433	434	435	436	437	
	DIST # 12 CLOVER FIELDS	DIST # 13 NORTH MEADOWS	DIST #14 DOWNTOWN REDEVELOPMENT	DIST #15 CHAMBER REDEVELOPMENT	DIST #17 CHASKA PRESERVE	DIST #18 CHASKA BUILDING CENTER	DIST #19 CHASKA HEIGHTS	DIST #20 BREWERY PROJECT	DIST #21 HOT SPOT PROJECT	DIST #22 ERNST HOUSE PROJECT	DIST #23 CITY SQUARE WEST PROJECT	TOTALS
ASSETS												
Cash And Investments	\$ 1,035,290	\$ 288,191	\$ 4,242	\$ 986	\$ 65,377	\$ 282,140	\$ 333,740	\$ 45	\$ 7	\$ -	\$ -	\$ 2,010,018
Receivables:												
Taxes:												
Unremitted	623	-	-	-	-	-	-	-	-	-	-	623
Interest	186	-	-	-	-	67	-	-	-	-	-	253
TOTAL ASSETS	\$ 1,036,099	\$ 288,191	\$ 4,242	\$ 986	\$ 65,377	\$ 282,207	\$ 333,740	\$ 45	\$ 7	\$ -	\$ -	\$ 2,010,894
LIABILITIES AND FUND BALANCES												
LIABILITIES:												
Deposits Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,314	\$ -	\$ -	\$ 1,314
Interfund Payable	-	-	-	-	-	-	-	22,348	60,450	34,836	8,381	126,015
Advance From Other Funds	-	-	2,147,736	-	152,342	-	-	-	-	-	-	2,300,078
TOTAL LIABILITIES	-	-	2,147,736	-	152,342	-	-	22,348	61,764	34,836	8,381	2,427,407
FUND BALANCES:												
Restricted	1,036,099	288,191	-	986	-	282,207	333,740	-	-	-	-	1,941,223
Unassigned	-	-	(2,143,494)	-	(86,965)	-	-	(22,303)	(61,757)	(34,836)	(8,381)	(2,357,736)
TOTAL FUND BALANCES	1,036,099	288,191	(2,143,494)	986	(86,965)	282,207	333,740	(22,303)	(61,757)	(34,836)	(8,381)	(416,513)
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,036,099	\$ 288,191	\$ 4,242	\$ 986	\$ 65,377	\$ 282,207	\$ 333,740	\$ 45	\$ 7	\$ -	\$ -	\$ 2,010,894

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS - TAX INCREMENT
FOR THE YEAR ENDED DECEMBER 31, 2020

	426	427	428	429	431	432	433	434	435	436	437	
	DIST # 12 CLOVER FIELDS	DIST # 13 NORTH MEADOWS	DIST #14 DOWNTOWN REDEVELOPMENT	DIST #15 CHAMBER REDEVELOPMENT	DIST #17 CHASKA PRESERVE	DIST #18 CHASKA BUILDING CENTER	DIST #19 CHASKA HEIGHTS	DIST #20 BREWERY PROJECT	DIST #21 HOT SPOT PROJECT	DIST #22 ERNST HOUSE PROJECT	DIST #23 CITY SQUARE WEST PROJECT	TOTALS
REVENUES:												
Taxes:												
Tax Increment	\$ 435,614	\$ 243,556	\$ 126,095	\$ 9,491	\$ 75,010	\$ 43,072	\$ 248,761	\$ 3,666	\$ -	\$ -	\$ -	\$ 1,185,265
Investment Earnings	3,736	929	178	25	186	1,587	1,087	17	7	-	-	7,752
Other Revenues	-	-	-	-	-	-	1,923	-	9,782	-	-	11,705
TOTAL REVENUES	439,350	244,485	126,273	9,516	75,196	44,659	251,771	3,683	9,789	-	-	1,204,722
EXPENDITURES:												
Current:												
General Government	-	-	-	-	-	-	-	1,350	2,862	1,554	260	6,026
Economic Development	164,182	165,461	2,482	11,300	11,223	400	178,357	300	9,782	6,633	8,121	558,241
Debt Service:												
Interest	-	-	92,486	-	7,377	-	-	-	-	-	-	99,863
TOTAL EXPENDITURES	164,182	165,461	94,968	11,300	18,600	400	178,357	1,650	12,644	8,187	8,381	664,130
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	275,168	79,024	31,305	(1,784)	56,596	44,259	73,414	2,033	(2,855)	(8,187)	(8,381)	540,592
OTHER FINANCING SOURCES (USES):												
Transfers Out	-	-	(125,242)	-	-	(33,800)	-	-	-	-	-	(159,042)
NET CHANGE IN FUND BALANCES	275,168	79,024	(93,937)	(1,784)	56,596	10,459	73,414	2,033	(2,855)	(8,187)	(8,381)	381,550
FUND BALANCES, JANUARY 1	760,931	209,167	(2,049,557)	2,770	(143,561)	271,748	260,326	(24,336)	(58,902)	(26,649)	-	(798,063)
FUND BALANCES, DECEMBER 31	\$ 1,036,099	\$ 288,191	\$ (2,143,494)	\$ 986	\$ (86,965)	\$ 282,207	\$ 333,740	\$ (22,303)	\$ (61,757)	\$ (34,836)	\$ (8,381)	\$ (416,513)

Nonmajor Budgeted Special Revenue and Capital Project Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2020

The City adopts budgets for the following two nonmajor special revenue funds and one nonmajor capital project fund:

- **Mount Pleasant Maintenance & Care Fund – Special Revenue**
- **Chaska EDA Fund – Special Revenue**
- **Equipment Acquisition Fund – Capital Project**

CITY OF CHASKA, MINNESOTA**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MOUNT PLEASANT MAINTENANCE & CARE SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES:</u>			
Taxes:			
Property	\$ 6,000	\$ 6,023	\$ 23
Intergovernmental:			
State:			
Market Value Credit	-	1	1
Charges For Services	2,400	4,100	1,700
Investment Earnings	300	1,399	1,099
TOTAL REVENUES	8,700	11,523	2,823
<u>EXPENDITURES:</u>			
Current:			
Public Works:			
Other Services And Charges	8,500	12,788	(4,288)
Capital Outlay	5,000	-	5,000
TOTAL EXPENDITURES	13,500	12,788	712
NET CHANGE IN FUND BALANCES	(4,800)	(1,265)	3,535
FUND BALANCES, JANUARY 1	260,214	260,214	-
FUND BALANCES, DECEMBER 31	\$ 255,414	\$ 258,949	\$ 3,535

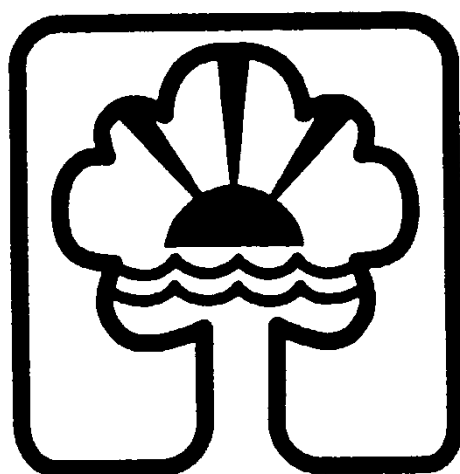
CITY OF CHASKA, MINNESOTA**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CHASKA EDA SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES:</u>			
Taxes:			
Property	\$ 165,747	\$ 165,669	\$ (78)
Intergovernmental:			
State:			
Market Value Credit	-	18	18
Economic Development Grant	-	270,000	270,000
Charges For Services	85,000	85,000	-
Special Assessments	40,000	60,002	20,002
Investment Earnings (Charges)	(5,400)	(5,618)	(218)
Other:			
Rents	31,300	31,318	18
Payments	-	11,561	11,561
TOTAL REVENUES	316,647	617,950	301,303
<u>EXPENDITURES:</u>			
Current:			
Economic Development:			
Other Services And Charges	299,747	571,036	(271,289)
Debt Service:			
Principal	13,100	13,044	56
Interest	3,800	3,756	44
Capital Outlay	-	8,858	(8,858)
TOTAL EXPENDITURES	316,647	596,694	(280,047)
EXCESS OF REVENUES OVER EXPENDITURES	-	21,256	21,256
<u>OTHER FINANCING SOURCES:</u>			
Transfers In	-	1,814	1,814
NET CHANGE IN FUND BALANCES	-	23,070	23,070
FUND BALANCES, JANUARY 1	(994,997)	(994,997)	-
FUND BALANCES, DECEMBER 31	\$ (994,997)	\$ (971,927)	\$ 23,070

CITY OF CHASKA, MINNESOTA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EQUIPMENT ACQUISITION CAPITAL PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:			
Taxes:			
Property	\$ 3,182,000	\$ 155,685	\$ (3,026,315)
Intergovernmental:			
State:			
Market Value Credit	-	516	516
Charges For Services	4,000	5,200	1,200
Other:			
Investment Earnings	-	56,090	56,090
Miscellaneous	125,000	131,375	6,375
TOTAL REVENUES	3,311,000	348,866	(2,962,134)
EXPENDITURES:			
Current:			
General Government	-	5,011	(5,011)
Public Safety	-	669	(669)
Public Works	-	7,967	(7,967)
Debt Service:			
Issuance Costs And Fiscal Agent Fees	192,000	-	192,000
Capital Outlay:			
Furniture And Equipment			
Communications	10,000	-	10,000
Administrative Services	23,000	-	23,000
Information Services	52,000	86,793	(34,793)
Public Works	158,000	356,314	(198,314)
Police	201,000	190,970	10,030
Fire	290,000	-	290,000
Other Improvements	-	19,895	(19,895)
Buildings and Structures	-	62,940	(62,940)
TOTAL EXPENDITURES	926,000	730,559	195,441
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,385,000	(381,693)	(2,766,693)
OTHER FINANCING SOURCES (USES):			
Transfers In	24,000	49,000	25,000
Transfers Out	(3,468,000)	(850,000)	2,618,000
Bonds Issued	440,000	-	(440,000)
Sale of Capital Assets	-	14,671	14,671
TOTAL OTHER FINANCING SOURCES (USES)	(3,004,000)	(786,329)	2,217,671
NET CHANGE IN FUND BALANCES	(619,000)	(1,168,022)	(549,022)
FUND BALANCES, JANUARY 1	2,963,106	2,963,106	-
FUND BALANCES, DECEMBER 31	\$ 2,344,106	\$ 1,795,084	\$ (549,022)



CHASKA

Nonmajor Enterprise Funds

City of Chaska, Minnesota

For the Year Ended December 31, 2020

Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise. It is the intent of the City Council that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. This type of fund is also used where the City Council has decided that periodic determination of net income is appropriate for accountability purposes. The City has four nonmajor enterprise funds.

- **Sewer Fund:**

This fund is used to account for the operation of the City's Sewer Utility.

- **Par 30 Golf Fund:**

This fund is used to account for the operation of the City's 9-hole public golf course.

- **Chaska Town Course Fund:**

This fund is used to account for the operation of the City's 18-hole public golf course.

- **Storm Water Fund:**

This fund is used to account for the operation of the City's Storm Water Utility.

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2020

	SEWER	PAR 30 GOLF	CHASKA TOWN COURSE	STORM WATER	TOTALS
ASSETS					
Current Assets:					
Cash And Investments	\$ 588,995	\$ -	\$ 458,781	\$ 611,301	\$ 1,659,077
Restricted Assets:					
Cash And Investments	41,158	-	-	86,283	127,441
Receivables:					
Special Assessments	2,190	-	-	23,333	25,523
Accounts					
Current	408,053	-	143	160,365	568,561
Unbilled	414,322	-	-	-	414,322
Allowance For Uncollectible Accounts	(12,071)	-	-	(4,771)	(16,842)
Interest	120	-	-	372	492
Due From Other Funds	200,000	-	-	1,400,000	1,600,000
Inventories	5,686	-	45,706	-	51,392
Total Current Assets	1,648,453	-	504,630	2,276,883	4,429,966
Noncurrent Assets:					
Capital Assets:					
Land	-	-	-	139,982	139,982
Buildings	255,000	111,537	8,013,896	-	8,380,433
Other Improvements	-	27,970	413,960	-	441,930
Furniture And Equipment	1,108,490	33,779	2,340,754	451,279	3,934,302
Infrastructure	2,850,650	-	-	4,346,442	7,197,092
Construction In Progress	-	1,172,353	-	169,841	1,342,194
Less: Accumulated Depreciation	(1,652,664)	(158,658)	(9,031,106)	(830,063)	(11,672,491)
Total Net Capital Assets	2,561,476	1,186,981	1,737,504	4,277,481	9,763,442
TOTAL ASSETS	4,209,929	1,186,981	2,242,134	6,554,364	14,193,408
DEFERRED OUTFLOWS OF RESOURCES					
Pension Plan Deferments	68,973	13,795	82,768	27,589	193,125
OPEB Plan Deferments	1,496	-	1,902	248	3,646
TOTAL DEFERRED OUTFLOWS OF RESOURCES	70,469	13,795	84,670	27,837	196,771
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,280,398	\$ 1,200,776	\$ 2,326,804	\$ 6,582,201	\$ 14,390,179
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 3,022	\$ 329,300	\$ -	\$ 34,312	\$ 366,634
Salaries Payable	9,613	-	9,821	2,078	21,512
Deposits Payable	-	-	172,717	-	172,717
Compensated Absences	54,639	-	70,073	5,281	129,993
Accrued Interest Payable	51,903	-	-	33,965	85,868
Due To Other Funds	-	865,885	-	-	865,885
Due To Other Governments	36,490	2,513	5,604	3,252	47,859
Interfund Payable	14,214	-	121,254	57,333	192,801
Revenue Bonds Payable	203,561	-	-	115,999	319,560
Unearned Revenue	2,190	-	-	188,293	190,483
Total Current Liabilities	375,632	1,197,698	379,469	440,513	2,393,312
Noncurrent Liabilities:					
Compensated Absences	15,219	-	40,078	5,462	60,759
Advance From Other Funds	103,373	-	714,830	177,002	995,205
Revenue Bonds Payable	4,147,613	-	-	2,686,326	6,833,939
Other Post Employment Benefits	40,989	-	52,115	6,803	99,907
Net Pension Liability	444,263	88,853	533,116	177,705	1,243,937
Total Noncurrent Liabilities	4,751,457	88,853	1,340,139	3,053,298	9,233,747
TOTAL LIABILITIES	5,127,089	1,286,551	1,719,608	3,493,811	11,627,059
DEFERRED INFLOWS OF RESOURCES					
Pension Plan Deferments	17,228	3,446	20,674	6,891	48,239
OPEB Plan Deferments	108	-	138	18	264
TOTAL DEFERRED INFLOWS OF RESOURCES	17,336	3,446	20,812	6,909	48,503
NET POSITION					
Net Investment In Capital Assets	1,782,370	1,186,981	1,737,504	2,824,952	7,531,807
Restricted	41,158	-	-	86,283	127,441
Unrestricted	(2,687,555)	(1,276,202)	(1,151,120)	170,246	(4,944,631)
TOTAL NET POSITION	(864,027)	(89,221)	586,384	3,081,481	2,714,617
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 4,280,398	\$ 1,200,776	\$ 2,326,804	\$ 6,582,201	\$ 14,390,179

CITY OF CHASKA, MINNESOTA

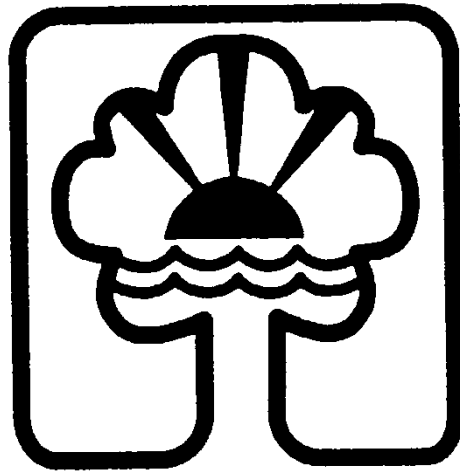
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>SEWER</u>	<u>PAR 30 GOLF</u>	<u>CHASKA TOWN COURSE</u>	<u>STORM WATER</u>	<u>TOTALS</u>
OPERATING REVENUES:					
Sales	\$ 4,612,317	\$ 204,789	\$ 2,536,210	\$ 1,756,180	\$ 9,109,496
OPERATING EXPENSES:					
Production	2,732,380	-	-	-	2,732,380
Distribution / Collections	644,237	-	-	454,262	1,098,499
Administration	923,439	168,736	1,986,232	550,072	3,628,479
Depreciation	134,977	3,939	469,036	181,081	789,033
TOTAL OPERATING EXPENSES	4,435,033	172,675	2,455,268	1,185,415	8,248,391
OPERATING INCOME	177,284	32,114	80,942	570,765	861,105
NON-OPERATING REVENUES:					
Investment Earnings (Charges)	2,410	(1,848)	1,086	8,059	9,707
Intergovernmental	1,237	239	1,431	5,477	8,384
Gain on Sale Of Capital Assets	10,000	-	20,962	9,096	40,058
TOTAL NON-OPERATING REVENUES	13,647	(1,609)	23,479	22,632	58,149
NON-OPERATING EXPENSES:					
Interest	115,283	-	30,009	77,523	222,815
Issuance Costs And Fiscal Agent Fees	8,462	-	-	6,972	15,434
TOTAL NON-OPERATING EXPENSES	123,745	-	30,009	84,495	238,249
INCOME BEFORE TRANSFERS	67,186	30,505	74,412	508,902	681,005
CAPITAL CONTRIBUTIONS	873,340	124,000	-	1,823,179	2,820,519
TRANSFERS IN (OUT)					
Transfers In	-	-	9,333	206,186	215,519
Transfers Out	(675,908)	-	-	(668,586)	(1,344,494)
TOTAL TRANSFERS IN (OUT)	(675,908)	-	9,333	(462,400)	(1,128,975)
CHANGE IN NET POSITION	264,618	154,505	83,745	1,869,681	2,372,549
NET POSITION, JANUARY 1	(1,128,645)	(243,726)	502,639	1,211,800	342,068
NET POSITION, DECEMBER 31	\$ (864,027)	\$ (89,221)	\$ 586,384	\$ 3,081,481	\$ 2,714,617

CITY OF CHASKA, MINNESOTA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	SEWER	PAR 30 GOLF	CHASKA TOWN COURSE	STORM WATER	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts From Customers and Users	\$ 4,328,823	\$ 205,789	\$ 2,561,020	\$ 1,746,933	\$ 8,842,565
Payments to Suppliers	(3,531,305)	267,406	(865,321)	(717,500)	(4,846,720)
Payments to Employees	(760,899)	(118,939)	(1,165,682)	(309,382)	(2,354,902)
Net Cash Provided By Operating Activities	36,619	354,256	530,017	720,051	1,640,943
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Transfers From Other Funds	-	-	9,333	206,186	215,519
Transfers To Other Funds	(116,000)	-	-	(223,000)	(339,000)
Due From Other Funds	300,000	-	170,179	(630,372)	(160,193)
Due To Other Funds	-	695,706	-	-	695,706
Intergovernmental	1,237	239	1,431	5,477	8,384
Net Cash Provided (Used) By Non-Capital Financing Activities	185,237	695,945	180,943	(641,709)	420,416
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds From Revenue Bonds	502,799	-	-	425,644	928,443
Capital Contributions	-	124,000	-	49,300	173,300
Principal Paid On Bonds	(125,000)	-	-	(80,000)	(205,000)
Interest And Fiscal Charges	(108,258)	-	-	(71,198)	(179,456)
Proceeds From Sale Of Capital Assets	10,000	-	20,962	24,000	54,962
Construction And Acquisition of Capital Assets	(118,222)	(1,172,353)	(240,434)	(85,481)	(1,616,490)
Transfers To Other Funds	(559,908)	-	-	(445,586)	(1,005,494)
Interfund Loan Payments To Other Funds	(13,783)	-	(88,816)	(57,333)	(159,932)
Interest Payments On Interfund Loans	(6,224)	-	(30,009)	(7,275)	(43,508)
Net Cash Provided (Used) By Capital And Related Financing Activities	(418,596)	(1,048,353)	(338,297)	(247,929)	(2,053,175)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest (Charges) On Investments	3,273	(1,848)	1,086	8,681	11,192
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(193,467)	-	373,749	(160,906)	19,376
CASH AND CASH EQUIVALENTS, January 1	823,620	-	85,032	858,490	1,767,142
CASH AND CASH EQUIVALENTS, December 31	<u>\$ 630,153</u>	<u>\$ -</u>	<u>\$ 458,781</u>	<u>\$ 697,584</u>	<u>\$ 1,786,518</u>
CASH AND CASH EQUIVALENTS:					
Cash And Investments	\$ 588,995	\$ -	\$ 458,781	\$ 611,301	\$ 1,659,077
Restricted Assets-Revenue Bonds:					
Cash And Investments For Debt Service	41,158	-	-	86,283	127,441
Total Cash And Cash Equivalents	<u>\$ 630,153</u>	<u>\$ -</u>	<u>\$ 458,781</u>	<u>\$ 697,584</u>	<u>\$ 1,786,518</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income	\$ 177,284	\$ 32,114	\$ 80,942	\$ 570,765	\$ 861,105
Adjustments To Reconcile Operating Income To Net Cash Provided By Operating Activities:					
Depreciation Expense	134,977	3,939	469,036	181,081	789,033
Allowance For Uncollectible Accounts	3,012	-	-	518	3,530
(Increase) Decrease In Assets And Deferred Outflows:					
Special Assessments	(2,190)	-	-	8,823	6,633
Accounts Receivable	(286,506)	1,000	(143)	(15,977)	(301,626)
Inventory	2,342	307	21,530	-	24,179
Deferred Outflows	(30,227)	(7,619)	(31,986)	(12,247)	(82,079)
Increase (Decrease) In Liabilities And Deferred Inflows:					
Accounts Payable	(656)	318,481	-	(20,132)	297,693
Salaries Payable	(16,455)	(2,273)	(19,423)	(3,028)	(41,179)
Deposits Payable	-	-	24,953	-	24,953
Compensated Absences Payable	17,491	(4,948)	17,049	4,486	34,078
Net Pension Liability	66,967	34,528	45,683	29,615	176,793
Due To Other Governments	8,921	2,512	819	(3,098)	9,154
Unearned Revenue	2,190	-	-	(2,611)	(421)
Other Post Employment Benefits	9,735	(17,497)	(11,919)	1,481	(18,200)
Deferred Inflows	(50,266)	(6,288)	(66,524)	(19,625)	(142,703)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 36,619</u>	<u>\$ 354,256</u>	<u>\$ 530,017</u>	<u>\$ 720,051</u>	<u>\$ 1,640,943</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Transfers Of Capital Assets	\$ 873,340	\$ -	\$ -	\$ 1,773,879	\$ 2,647,219
Amortization Of Bond Premiums	\$ 5,352	\$ -	\$ -	\$ 3,502	\$ 8,854



CHASKA

This part of the City of Chaska's Comprehensive Annual Financial Report represents detailed information as a context for understanding this year's financial statements, note disclosures and supplementary information. This information has not been audited by the independent auditor.

Content

- **Financial Trends:**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over-time.

- Table 1 – Net Position by Component
- Table 2 – Changes in Net Position
- Table 3 – Governmental Activities Tax Revenues by Source
- Table 4 – Fund Balances of Governmental Funds
- Table 5 – Changes in Fund Balances of Governmental Funds
- Table 6 – General Governmental Tax Revenues by Source

- **Revenue Capacity:**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

- Table 7 – Tax Capacity Value and Estimated Actual Value of Real and Personal Property
- Table 8 – Property Tax Rates – Direct and Overlapping Governments
- Table 9 – Principal Property Taxpayers
- Table 10 – Property Tax Levies and Collections

- **Debt Capacity:**

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue debt in the future.

- Table 11 – Ratios of Outstanding Debt by Type
- Table 12 – Ratios of General Bonded Debt Outstanding to Estimated Actual Taxable Value
- Table 13 – Direct and Overlapping Governmental Activities Debt
- Table 14 – Legal Debt Margin Information
- Table 15 – Pledged Revenue Coverage

- **Demographic and Economic Information:**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activity takes place.

- Table 16 – Demographic and Economic Statistics
- Table 17 – Principal Employers

- **Operating Information:**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities that it performs.

Table 18 – Full-Time Equivalent City Government Employees by Function/Program

Table 19 – Operating Indicators by Function/Program

Table 20 – Capital Asset Statistics by Function/Program

- **Sources:**

Unless otherwise noted, the information in these schedules derives from the Comprehensive Annual Financial Report for the relevant year(s).

CITY OF CHASKA, MINNESOTA**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR			
	2011	2012 (Restated) (1)	2013	2014
Governmental Activities				
Net Investment In Capital Assets	\$ 121,056,422	\$ 120,219,510	\$ 118,818,535	\$ 125,511,881
Restricted	20,932,146	24,295,547	25,069,356	24,001,479
Unrestricted	(6,614,940)	(6,014,472)	(2,173,764)	(3,712,091)
Total Governmental Activities Net Position:	\$ 135,373,628	\$ 138,500,585	\$ 141,714,127	\$ 145,801,269
Business-Type Activities				
Net Investment In Capital Assets	\$ 24,905,043	\$ 25,075,383	\$ 25,818,904	\$ 27,939,635
Restricted	3,271,085	3,396,858	4,451,868	4,030,287
Unrestricted	12,961,398	13,265,298	13,378,058	13,818,352
Total Business-Type Activities Net Position:	\$ 41,137,526	\$ 41,737,539	\$ 43,648,830	\$ 45,788,274
Primary Government				
Net Investment In Capital Assets	\$ 145,961,465	\$ 145,294,893	\$ 144,637,439	\$ 153,451,516
Restricted	24,203,231	27,692,405	29,521,224	28,031,766
Unrestricted	6,346,458	7,250,826	11,204,294	10,106,261
Total Primary Government Net Position:	\$ 176,511,154	\$ 180,238,124	\$ 185,362,957	\$ 191,589,543

(1) The City implemented GASB Statement No. 65 in 2013. Net position for 2012 was restated for the effects of implementing this standard. Net position for previous years have not been restated.

(2) The City implemented GASB Statement No. 68 in 2015. Net position for previous years have not been restated.

(3) The City implemented GASB Statement No. 75 in 2018. Net position for previous years have not been restated.

Table 1

FISCAL YEAR					
2015 (2)	2016	2017	2018 (3)	2019	2020
\$ 127,278,758	\$ 132,552,673	\$ 137,122,192	\$ 146,659,763	\$ 143,383,394	\$ 134,205,413
14,955,015	14,175,353	19,807,677	20,434,329	16,956,396	16,683,713
(20,840)	(640,332)	(2,060,473)	(11,503,698)	(9,838,641)	(3,239,169)
<u>\$ 142,212,933</u>	<u>\$ 146,087,694</u>	<u>\$ 154,869,396</u>	<u>\$ 155,590,394</u>	<u>\$ 150,501,149</u>	<u>\$ 147,649,957</u>
\$ 33,274,260	\$ 31,821,470	\$ 30,523,279	\$ 33,206,537	\$ 32,618,078	\$ 37,138,756
5,190,437	5,609,821	17,986,742	16,111,606	16,407,157	16,866,244
(919,545)	1,918,324	(7,433,427)	(7,147,929)	(8,973,291)	(10,744,178)
<u>\$ 37,545,152</u>	<u>\$ 39,349,615</u>	<u>\$ 41,076,594</u>	<u>\$ 42,170,214</u>	<u>\$ 40,051,944</u>	<u>\$ 43,260,822</u>
\$ 160,553,018	\$ 164,374,143	\$ 167,645,471	\$ 179,866,300	\$ 176,001,472	\$ 171,344,169
20,145,452	19,785,174	37,794,419	36,545,935	33,363,553	33,549,957
(940,385)	1,277,992	(9,493,900)	(18,651,627)	(18,811,932)	(13,983,347)
<u>\$ 179,758,085</u>	<u>\$ 185,437,309</u>	<u>\$ 195,945,990</u>	<u>\$ 197,760,608</u>	<u>\$ 190,553,093</u>	<u>\$ 190,910,779</u>

CITY OF CHASKA, MINNESOTA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2011	2012 (Restated) (1)	2013	2014	2015 (2)(3)	2016	2017	2018 (4)	2019	2020
EXPENSES										
Governmental Activities										
General Government	\$ 3,982,078	\$ 3,965,035	\$ 4,590,619	\$ 4,960,161	\$ 5,627,642	\$ 5,975,566	\$ 6,603,240	\$ 6,025,119	\$ 6,466,463	\$ 6,404,435
Economic Development	933,265	1,157,730	1,445,963	1,853,189	8,778,959	1,078,389	2,005,808	4,352,049	1,682,326	1,353,256
Public Safety	4,216,569	4,370,823	4,705,235	4,977,668	4,764,269	6,878,111	6,063,781	6,189,888	6,805,386	8,940,448
Public Works	7,029,170	7,789,049	9,758,311	8,850,036	8,488,231	8,566,638	9,042,167	10,088,913	26,781,348	16,348,045
Parks, Recreation And Arts	709,781	727,482	779,705	765,955	1,210,234	1,067,514	1,286,155	1,526,003	1,636,562	1,622,431
Interest On Long-Term Debt	1,551,955	1,419,848	1,361,830	1,037,857	1,330,444	1,424,886	1,264,604	1,550,437	1,522,276	1,812,949
Total Governmental Activities Expenses:	18,422,818	19,429,967	22,641,663	22,444,866	30,199,779	24,991,104	26,265,755	29,732,409	44,894,361	36,481,564
Business-type Activities										
Electric	26,897,015	29,362,666	31,058,570	32,528,332	33,417,358	35,236,356	35,744,098	38,896,423	35,599,483	36,587,314
Water	2,624,256	2,545,714	2,794,378	2,817,249	2,785,714	2,859,401	2,883,350	3,015,694	3,391,370	3,680,044
Sewer	2,716,380	2,725,405	2,843,831	3,104,992	3,150,447	3,254,994	3,494,259	3,801,595	4,091,831	4,560,553
Chaska Community Center	4,003,228	3,860,960	3,854,763	3,816,200	4,077,426	4,419,881	4,536,723	4,752,021	4,716,992	4,822,493
Par 30 Golf Course	171,720	186,681	151,575	163,112	183,136	240,047	193,856	189,814	187,568	177,696
Chaska Town Course	2,043,373	2,034,790	2,148,077	2,193,635	2,310,651	2,433,909	2,512,410	2,452,056	2,505,095	2,485,892
Turbine Generator	1,612,415	1,534,229	1,505,608	1,623,074	1,730,079	1,057,383	1,019,671	1,016,539	1,023,865	921,659
Internet Service Provider (5)	639,021	665,909	604,813	488,728	293,951	168,783	184,840	159,357	-	-
Storm Water	435,892	586,774	541,700	536,364	760,340	993,816	980,334	1,072,424	1,173,012	1,268,421
Chaska Curling Center (3)	-	-	-	3,391	835,012	1,516,260	2,330,918	2,635,334	2,419,331	2,200,635
Total Business-type Activities Expenses:	41,143,300	43,503,128	45,503,315	47,275,077	49,544,114	52,180,830	53,880,459	57,991,257	55,108,547	56,704,707
Total Primary Government Expenses:	\$ 59,566,118	\$ 62,933,095	\$ 68,144,978	\$ 69,719,943	\$ 79,743,893	\$ 77,171,934	\$ 80,146,214	\$ 87,723,666	\$ 100,002,908	\$ 93,186,271
PROGRAM REVENUES										
Governmental Activities										
Charges For Services										
General Government	\$ 2,297,111	\$ 2,122,998	\$ 2,465,448	\$ 2,548,055	\$ 3,440,547	\$ 3,381,482	\$ 3,716,746	\$ 4,235,869	\$ 4,522,047	\$ 4,775,856
Economic Development	154,000	160,222	163,426	167,000	70,340	77,421	76,000	80,000	85,000	85,000
Public Safety	205,390	257,365	267,962	271,613	219,590	180,603	263,033	331,251	240,462	907,268
Public Works	562,000	863,058	1,290,754	1,328,059	1,876,750	2,516,820	1,882,531	2,178,832	1,794,876	1,877,244
Parks, Recreation And Arts	40,004	37,606	462,884	281,805	132,621	317,749	182,462	429,577	652,394	655,261
Operating Grants And Contributions	463,082	514,856	1,234,843	854,330	667,025	628,278	1,477,224	777,833	10,909,953	7,010,170
Capital Grants And Contributions	3,448,026	4,039,456	5,285,987	4,968,378	6,737,538	8,226,427	14,086,637	7,951,347	2,644,120	2,296,609
Total Governmental Activities Program Revenues:	7,169,613	7,995,561	11,171,304	10,419,240	13,144,411	15,328,780	21,684,633	15,984,709	20,848,852	17,607,408
Business-type Activities										
Charges for Services										
Electric	28,885,102	31,641,160	33,831,735	34,673,309	35,565,149	37,500,384	37,542,385	41,193,202	41,203,336	43,028,104
Water	2,387,700	2,758,682	2,528,547	2,409,274	2,534,074	2,714,932	2,768,225	2,861,416	2,921,859	3,372,280
Sewer	2,807,185	2,796,625	2,948,150	3,177,511	3,267,600	3,423,610	3,601,281	3,789,272	4,136,124	4,612,317
Chaska Community Center	2,821,081	2,952,501	2,840,092	3,081,500	3,246,108	2,735,432	3,163,971	3,085,975	3,264,746	1,830,242
Par 30 Golf Course	144,726	158,381	155,706	151,454	192,164	170,732	167,726	154,621	136,903	204,789
Chaska Town Course	1,557,948	1,790,342	1,724,149	1,807,559	2,089,861	2,137,035	2,133,510	1,966,812	2,105,154	2,536,210
Turbine Generator	2,156,067	2,112,887	2,065,865	2,014,655	1,842,662	1,781,846	1,719,136	1,650,846	1,576,477	1,495,484
Internet Service Provider (5)	689,673	603,826	489,466	397,692	173,816	103,569	117,718	100,033	-	-
Storm Water	504,604	756,516	782,202	840,052	912,936	969,248	1,097,344	1,581,812	1,688,118	1,756,180
Chaska Curling Center (3)	-	-	-	-	65,022	1,173,795	1,221,472	1,299,997	1,240,291	641,658
Operating Grants And Contributions	-	-	-	-	-	100,379	1,626	99,052	142,669	41,351
Capital Grants And Contributions	54,092	139,416	351,542	693,238	181,839	647,918	704,759	198,433	678,369	881,172
Total Business-type Activities Program Revenues:	42,008,178	45,710,336	47,717,454	49,246,244	50,071,231	53,458,880	54,239,153	57,981,471	59,094,046	60,399,787
Total Primary Government Program Revenues:	\$ 49,177,791	\$ 53,705,897	\$ 58,888,758	\$ 59,665,484	\$ 63,215,642	\$ 68,787,660	\$ 75,923,786	\$ 73,966,180	\$ 79,942,898	\$ 78,007,195

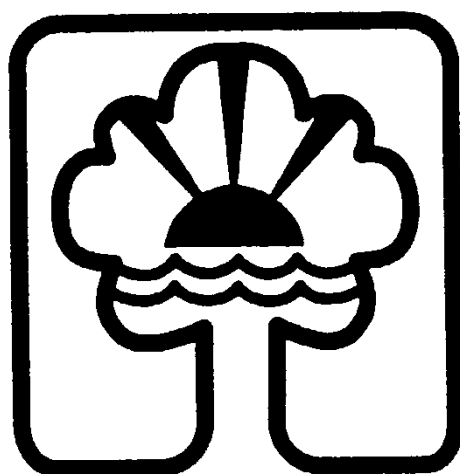
(Continued)

Table 2
(Continued)

	Fiscal Year									
	2011	2012 (Restated) (1)	2013	2014	2015 (2)(3)	2016	2017	2018 (4)	2019	2020
NET EXPENSE / REVENUE										
Governmental Activities	\$ (11,253,205)	\$ (11,434,406)	\$ (11,470,359)	\$ (12,025,626)	\$ (17,055,368)	\$ (9,662,324)	\$ (4,581,122)	\$ (13,747,700)	\$ (24,045,509)	\$ (18,874,156)
Business-type Activities	864,878	2,207,208	2,214,139	1,971,167	527,117	1,278,050	358,694	(9,786)	3,985,499	3,695,080
Total Primary Government Net Expense:	\$ (10,388,327)	\$ (9,227,198)	\$ (9,256,220)	\$ (10,054,459)	\$ (16,528,251)	\$ (8,384,274)	\$ (4,222,428)	\$ (13,757,486)	\$ (20,060,010)	\$ (15,179,076)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes										
Property Taxes	\$ 10,457,922	\$ 10,507,231	\$ 10,104,762	\$ 10,703,248	\$ 9,063,743	\$ 8,189,403	\$ 9,089,057	\$ 10,129,998	\$ 10,805,084	\$ 11,731,744
Franchise Taxes	2,934,401	3,225,821	3,355,672	3,656,724	4,079,404	4,224,548	4,300,526	4,576,985	752,914	763,101
Unrestricted Grants and Contributions	247,716	62,608	58,761	491,545	530,868	585,679	310,188	26,334	42,379	2,110,628
Investment Earnings	82,462	139,907	41,179	429,177	264,180	247,978	253,578	400,814	428,710	189,473
Other	265,898	491,536	267,711	365,919	545,596	510,860	416,642	366,702	277,822	428,225
Transfers	508,805	758,219	855,816	466,155	5,086,416	(221,383)	(1,007,167)	(769,471)	6,649,355	4,927,249
Transfers - Capital Assets (6)	-	-	-	-	-	-	-	-	-	(4,127,456)
Total Governmental Activities:	14,497,204	15,185,322	14,683,901	16,112,768	19,570,207	13,537,085	13,362,824	14,731,362	18,956,264	16,022,964
Business-type Activities										
Unrestricted Grants and Contributions	-	-	-	-	-	-	41,184	211	283	165
Investment Earnings	393,721	438,195	419,145	550,131	455,526	241,753	260,708	362,111	407,297	134,799
Other	126,386	72,567	133,823	84,301	63,440	63,277	59,226	82,857	138,006	178,627
Transfers	(508,805)	(758,219)	(855,816)	(466,155)	(5,086,416)	221,383	1,007,167	769,471	(6,649,355)	(4,927,249)
Transfers - Capital Assets (6)	-	-	-	-	-	-	-	-	-	4,127,456
Total Business-type Activities:	11,302	(247,457)	(302,848)	168,277	(4,567,450)	526,413	1,368,285	1,214,650	(6,103,769)	(486,202)
Total Primary Government:	\$ 14,508,506	\$ 14,937,865	\$ 14,381,053	\$ 16,281,045	\$ 15,002,757	\$ 14,063,498	\$ 14,731,109	\$ 15,946,012	\$ 12,852,495	\$ 15,536,762
CHANGE IN NET POSITION										
Governmental Activities	\$ 3,243,999	\$ 3,750,916	\$ 3,213,542	\$ 4,087,142	\$ 2,514,839	\$ 3,874,761	\$ 8,781,702	\$ 983,662	\$ (5,089,245)	\$ (2,851,192)
Business-type Activities	876,180	1,959,751	1,911,291	2,139,444	(4,040,333)	1,804,463	1,726,979	1,204,864	(2,118,270)	3,208,878
Total Primary Government:	\$ 4,120,179	\$ 5,710,667	\$ 5,124,833	\$ 6,226,586	\$ (1,525,494)	\$ 5,679,224	\$ 10,508,681	\$ 2,188,526	\$ (7,207,515)	\$ 357,686

Change In Net Position is explained in the Management's Discussion & Analysis.

- (1) The City implemented GASB Statement No. 65 in 2013. Change in Net Position for 2012 was restated for the effects of implementing this standard. Change in Net Position for previous years have not been restated.
- (2) The City implemented GASB Statement No. 68 in 2015. Change in Net Position for previous years have not been restated.
- (3) Chaska Curling Center fund was established in 2015.
- (4) The City implemented GASB Statement No. 75 in 2018. Change in Net Position for previous years have not been restated.
- (5) The Internet Service Provider fund closed in 2018.
- (6) Starting in 2020, Transfers of Capital Assets will be shown separately from Operating Transfers.



CHASKA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

FISCAL YEAR	PROPERTY TAXES		FRANCHISE TAXES			TOTAL TAXES
	LEVIED	TAX INCREMENT	ELECTRIC (2)	CABLE	GAS (1)	
2011	\$ 4,755,677	\$ 5,702,245	\$ 2,702,870	\$ 231,531	\$ -	\$ 13,392,323
2012	4,936,400	5,570,831	2,988,410	237,411	-	13,733,052
2013	5,001,413	5,103,349	3,101,430	254,242	-	13,460,434
2014 (1)	5,250,479	5,452,769	3,210,070	265,415	181,239	14,359,972
2015	8,501,586	562,157	3,339,440	284,886	455,078	13,143,147
2016	7,559,289	630,114	3,458,900	304,017	461,631	12,413,951
2017	8,367,604	721,453	3,521,540	321,423	457,563	13,389,583
2018	9,091,373	1,038,625	3,820,670	306,860	449,455	14,706,983
2019	9,702,004	1,103,080	-	302,522	450,392	11,557,998
2020	10,546,479	1,185,265	-	300,269	462,832	12,494,845

(1) Chaska implemented a Gas Franchise Tax in 2014.

(2) Beginning in 2019, the City did not assess a franchise fee on the City-owned electric.

CITY OF CHASKA, MINNESOTA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR			
	2011	2012	2013	2014
General Fund				
Nonspendable	\$ -	\$ 241	\$ -	\$ -
Committed	597,734	620,774	739,540	891,416
Assigned	-	-	-	-
Unassigned	2,134,923	2,418,419	1,965,790	1,644,738
Total General Fund:	\$ 2,732,657	\$ 3,039,434	\$ 2,705,330	\$ 2,536,154
General Fund % Change	41.41%	11.23%	-10.99%	-6.25%
All Other Governmental Funds				
Restricted	\$ 9,738,589	\$ 18,546,504	\$ 15,968,896	\$ 19,114,183
Committed	279,176	913,595	1,068,969	1,912,764
Assigned	3,383,331	3,144,950	4,732,649	5,529,159
Unassigned, Reported In:				
Special Revenue Funds	(194,924)	-	(259,844)	(1,242,278)
Capital Project Funds	(7,462,984)	(8,003,881)	(7,456,476)	(11,708,398)
Total All Other Governmental Funds:	\$ 5,743,188	\$ 14,601,168	\$ 14,054,194	\$ 13,605,430
All Other Governmental Funds % Change	-75.76%	154.23%	-3.75%	-3.19%
Total Governmental Funds				
Nonspendable	\$ -	\$ 241	\$ -	\$ -
Restricted	9,738,589	18,546,504	15,968,896	19,114,183
Committed	876,910	1,534,369	1,808,509	2,804,180
Assigned	3,383,331	3,144,950	4,732,649	5,529,159
Unassigned	(5,522,985)	(5,585,462)	(5,750,530)	(11,305,938)
Total Governmental Funds:	\$ 8,475,845	\$ 17,640,602	\$ 16,759,524	\$ 16,141,584
Total Governmental Funds % Change	78.47%	108.13%	-4.99%	-3.69%

Table 4

FISCAL YEAR					
2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,268
852,664	924,378	908,494	1,010,606	1,133,435	970,088
-	-	-	-	-	448,864
2,232,766	1,615,179	1,103,421	1,078,348	777,426	460,243
<u>\$ 3,085,430</u>	<u>\$ 2,539,557</u>	<u>\$ 2,011,915</u>	<u>\$ 2,088,954</u>	<u>\$ 1,910,861</u>	<u>\$ 1,932,463</u>
21.66%	-17.69%	-20.78%	-17.74%	-8.53%	1.13%
\$ 11,557,173	\$ 8,022,515	\$ 11,726,442	\$ 10,712,645	\$ 13,546,921	\$ 13,411,432
3,368,508	2,456,381	2,889,920	3,746,951	4,487,945	5,353,884
6,845,131	6,646,255	8,571,632	8,011,826	8,511,304	9,235,585
(1,451,333)	(701,789)	(793,665)	(1,096,949)	(1,008,180)	(985,110)
(6,914,737)	(5,224,315)	(5,637,984)	(15,082,217)	(8,565,055)	(3,325,670)
<u>\$ 13,404,742</u>	<u>\$ 11,199,047</u>	<u>\$ 16,756,345</u>	<u>\$ 6,292,256</u>	<u>\$ 16,972,935</u>	<u>\$ 23,690,121</u>
-1.48%	-16.45%	49.62%	-43.81%	169.74%	39.58%
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,268
11,557,173	8,022,515	11,726,442	10,712,645	13,546,921	13,411,432
4,221,172	3,380,759	3,798,414	4,757,557	5,621,380	6,323,972
6,845,131	6,646,255	8,571,632	8,011,826	8,511,304	9,684,449
(6,133,304)	(4,310,925)	(5,328,228)	(15,100,818)	(8,795,809)	(3,850,537)
<u>\$ 16,490,172</u>	<u>\$ 13,738,604</u>	<u>\$ 18,768,260</u>	<u>\$ 8,381,210</u>	<u>\$ 18,883,796</u>	<u>\$ 25,622,584</u>
2.16%	-16.69%	36.61%	-55.34%	125.31%	35.69%

CITY OF CHASKA, MINNESOTA

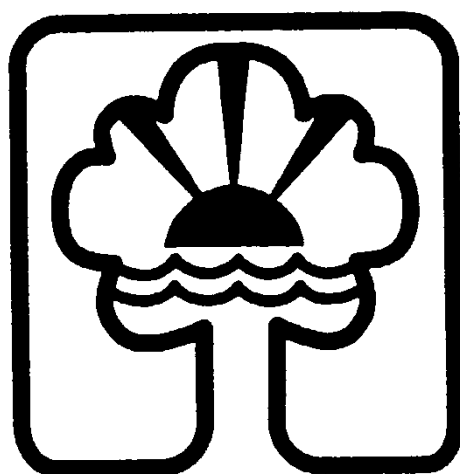
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR			
	2011	2012	2013	2014
<u>REVENUES</u>				
Taxes	\$ 13,387,904	\$ 13,888,797	\$ 13,502,612	\$ 14,386,746
Licenses and Permits	1,171,745	880,815	1,135,211	995,263
Intergovernmental	1,666,505	2,955,101	2,919,055	2,568,108
Charges for Services	1,950,742	2,409,242	3,388,069	3,470,471
Fines and Forfeitures	139,988	123,411	123,687	128,966
Special Assessments	1,531,259	1,911,524	3,918,217	2,867,959
Other Revenue	585,553	911,462	1,237,814	794,135
Total Revenue	20,433,696	23,080,352	26,224,665	25,211,648
<u>EXPENDITURES</u>				
General Government	3,392,089	3,512,005	4,077,218	4,361,531
Economic Development	757,932	809,892	1,460,259	1,899,514
Public Safety	3,971,147	4,068,057	4,411,566	4,513,886
Public Works	3,529,127	4,756,685	6,249,199	7,269,352
Parks, Recreation and Arts	532,953	488,078	517,843	837,886
Debt Service:				
Principal	5,396,218	4,422,243	5,427,723	4,948,206
Interest	1,578,987	1,421,230	1,396,806	1,109,996
Issuance Costs & Fiscal Agent Fees	91,276	121,126	112,905	95,788
Capital Outlay	2,591,145	3,149,178	4,075,585	7,367,993
Total Expenditures	21,840,874	22,748,494	27,729,104	32,404,152
Excess of Revenues Over (Under) Expenditures	(1,407,178)	331,858	(1,504,439)	(7,192,504)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	7,211,564	10,943,484	7,641,975	6,622,433
Transfers Out	(6,702,759)	(9,551,265)	(6,786,159)	(6,156,278)
Bonds Issued	2,375,000	2,430,000	4,245,000	5,785,000
Refunding Bonds Issued	2,290,000	4,675,000	580,000	-
Premium on Bonds Issued	168,217	195,481	123,513	317,245
Capital Lease Issued	-	-	-	-
Payments to Refunded Bond Escrow Agent	(2,320,000)	-	(5,210,000)	-
Sale of Capital Assets	114,874	140,199	29,032	6,164
Total Other Financing Sources (Uses)	3,136,896	8,832,899	623,361	6,574,564
NET CHANGE IN FUND BALANCES	\$ 1,729,718	\$ 9,164,757	\$ (881,078)	\$ (617,940)
Expenditures for Capitalized Assets (1)	\$ 3,349,841	\$ 3,972,487	\$ 5,063,042	\$ 12,451,676
Debt Service as a Percentage of Noncapital Expenditures	37.72%	31.12%	30.11%	30.36%

(1) Expenditures for capitalized assets per the Reconciliation of The Statement of Revenues, Expenditures And Changes In Fund Balances of Governmental Funds to The Statement of Activities.

Table 5

FISCAL YEAR						
2015	2016	2017	2018	2019	2020	
\$ 13,150,434	\$ 12,470,764	\$ 13,420,767	\$ 14,709,783	\$ 11,550,747	\$ 12,501,723	
1,259,621	1,033,383	1,302,593	928,825	910,342	943,410	
2,678,760	2,772,705	2,653,945	1,726,502	11,747,098	10,254,538	
4,387,691	5,316,461	5,717,156	6,220,296	6,299,265	7,213,755	
95,736	104,226	113,158	109,319	72,456	55,563	
2,076,637	2,121,412	2,835,792	2,350,349	2,535,593	1,970,086	
1,103,179	600,089	659,861	1,151,947	1,165,778	796,000	
24,752,058	24,419,040	26,703,272	27,197,021	34,281,279	33,735,075	
4,889,132	5,228,459	5,630,604	5,696,448	5,986,973	5,941,684	
8,766,389	1,070,364	1,919,188	3,183,480	1,590,071	1,332,462	
4,837,862	5,270,617	5,738,341	6,193,049	6,498,679	8,215,497	
6,686,444	4,537,040	5,213,582	7,699,681	6,922,693	6,188,270	
1,086,472	828,065	1,140,929	1,062,569	1,052,775	935,834	
5,398,720	3,013,768	3,061,302	2,901,859	3,323,855	6,200,609	
1,115,857	1,429,478	1,380,700	1,618,919	1,718,079	2,026,111	
353,521	4,725	250,271	11,850	319,028	286,253	
13,778,776	5,633,034	9,808,124	8,295,131	20,187,457	12,731,606	
46,913,173	27,015,550	34,143,041	36,662,986	47,599,610	43,858,326	
(22,161,115)	(2,596,510)	(7,439,769)	(9,465,965)	(13,318,331)	(10,123,251)	
14,212,528	6,242,220	4,624,645	4,297,144	17,758,206	14,860,764	
(8,968,112)	(6,423,134)	(5,617,190)	(5,252,205)	(10,082,386)	(9,923,825)	
16,025,000	-	10,870,000	-	14,735,000	11,290,000	
-	-	1,455,000	-	1,740,000	2,580,000	
1,156,342	-	1,125,229	-	1,015,807	320,429	
-	-	-	-	14,290	-	
-	-	-	-	(1,360,000)	(2,280,000)	
83,945	25,856	11,741	33,976	-	14,671	
22,509,703	(155,058)	12,469,425	(921,085)	23,820,917	16,862,039	
\$ 348,588	\$ (2,751,568)	\$ 5,029,656	\$ (10,387,050)	\$ 10,502,586	\$ 6,738,788	
\$ 19,782,837	\$ 12,340,550	\$ 16,094,547	\$ 16,582,006	\$ 6,758,755	\$ 9,230,118	
24.01%	30.28%	24.61%	22.51%	12.35%	23.76%	



CHASKA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

FISCAL YEAR	PROPERTY TAXES		FRANCHISE TAXES			TOTAL TAXES
	LEVIED	TAX INCREMENT	ELECTRIC (4)	CABLE	GAS (1)	
2011	\$ 4,789,918	\$ 5,663,585	\$ 2,702,870	\$ 231,531	\$ -	\$ 13,387,904
2012	4,150,837	6,512,139	2,988,410	237,411	-	13,888,797
2013	5,001,614	5,145,326	3,101,430	254,242	-	13,502,612
2014 (1)	5,276,218	5,453,804	3,210,070	265,415	181,239	14,386,746
2015	8,479,872 (2)	591,158 (3)	3,339,440	284,886	455,078	13,150,434
2016	7,573,635	672,581	3,458,900	304,017	461,631	12,470,764
2017	8,395,597	724,644	3,521,540	321,423	457,563	13,420,767
2018	9,091,839	1,040,959	3,820,670	306,860	449,455	14,709,783
2019	9,694,753	1,103,080	-	302,522	450,392	11,550,747
2020	10,553,357	1,185,265	-	300,269	462,832	12,501,723

(1) Chaska implemented a Gas Franchise Tax in 2014.

(2) Includes \$1,532,865 in tax increment that was returned to the General fund after a TIF district decertification and after the City's payment to the County.

(3) There were three (3) TIF districts decertified in 2014.

(4) Beginning in 2019, the City did not assess a franchise fee on the City-owned electric.

CITY OF CHASKA, MINNESOTA**TAX CAPACITY VALUE AND ESTIMATED ACTUAL VALUE OF REAL AND PERSONAL PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

TAXES PAYABLE YEAR	REAL PROPERTY - TAX CAPACITY VALUE			PERSONAL PROPERTY TAX CAPACITY VALUE	FISCAL DISPARITIES	
	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	OTHER REAL PROPERTY		CONTRIBUTION	DISTRIBUTION
2011	\$ 18,160,775	\$ 7,441,155	\$ 460,948	\$ 170,406	\$ (3,080,261)	\$ 3,500,494
2012	16,254,417	7,295,461	389,870	166,076	(2,983,712)	3,201,648
2013	14,776,641	7,336,053	358,867	197,498	(2,765,398)	3,001,764
2014	16,020,027	7,116,774	351,263	222,966	(2,756,785)	2,881,368
2015	18,484,795	7,492,534	345,751	242,162	(2,660,168)	2,956,196
2016	20,127,637	7,990,194	340,891	278,734	(3,014,532)	3,061,538
2017	20,776,485	8,161,059	356,694	375,132	(3,226,831)	3,313,011
2018	22,608,652	8,613,755	367,741	401,546	(3,096,739)	3,595,500
2019	24,058,344	9,060,705	395,846	428,354	(3,523,591)	3,946,302
2020	26,467,511	9,696,784	496,454	437,324	(3,698,495)	4,336,565

Source: Carver County Auditor

Table 7

TAX INCREMENT ADJUSTED TO TAX CAPACITY VALUE		ADJUSTED TAX CAPACITY VALUE	CITY TOTAL DIRECT TAX RATE	EDA TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL MARKET VALUE REAL & PERSONAL	ADJ TAX CAPACITY VALUE AS A PERCENTAGE OF ACTUAL VALUE
\$	(5,388,088)	\$ 21,265,429	23.484	0.357	\$ 2,271,392,000	0.94%
	(4,906,333)	19,417,427	25.785	0.391	2,162,908,900	0.90%
	(4,543,317)	18,362,108	28.075	0.411	2,020,207,000	0.91%
	(4,464,026)	19,371,587	26.586	0.391	2,121,003,200	0.91%
	(535,631)	26,325,639	24.928	1.574	2,380,806,300	1.11%
	(572,333)	28,212,129	26.118	1.519	2,573,342,000	1.10%
	(658,411)	29,097,139	27.564	1.557	2,652,305,300	1.10%
	(973,689)	31,516,766	27.234	1.503	2,847,274,600	1.11%
	(1,052,097)	33,313,863	27.678	1.497	3,007,913,300	1.11%
	(1,209,027)	36,527,116	28.425	0.313	3,281,441,700	1.11%

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)

TAXES PAYABLE YEAR	DIRECT RATES			OVERLAPPING RATES (2)				TOTAL DIRECT AND OVERLAPPING RATES (1)
	CITY URBAN OPERATING	CITY ECONOMIC DEVELOPMENT AUTHORITY	COUNTY COMMUNITY DEVELOPMENT AUTHORITY	COUNTY INDEPENDENT SCHOOL DISTRICT #112	SPECIAL DISTRICTS (3)			
2011	23.484	11.742	0.357	41.752	1.777	40.236	4.883	112.489
2012	25.785	12.892	0.391	43.562	1.887	44.382	4.728	120.735
2013	28.075	14.038	0.411	46.115	1.799	45.319	5.069	126.790
2014	26.586	13.293	0.391	45.211	1.759	44.917	4.072	(4) 122.936
2015	24.928	14.957	1.574	40.488	1.589	39.120	3.422	111.122
2016	26.118	18.283	1.519	38.880	1.701	39.245	3.614	111.077
2017	27.564	22.051	1.557	38.851	1.731	37.005	3.615	110.323
2018	27.234	24.511	1.503	37.436	1.640	33.837	3.347	104.997
2019	27.678	27.678	1.497	36.488	1.626	33.631	3.300	104.220
2020	28.425	28.425	0.313	35.179	1.598	33.006	3.061	101.584

Source: Carver County Auditor

- (1) Total direct and overlapping rate excludes the City Rural rate. In 2005, as part of the annexation of Chaska Township, a rural rate of 50 percent of the City "urban" rate was established for ten years for the annexed properties. Starting in 2015, the rural rate increased 10 percent each year. Beginning in 2019, the annexed area is taxed at the City "urban" rate.
- (2) Overlapping rates are those of other governments that apply to property owners within the City. Not all overlapping rates apply to all property owners (e.g., the rates for special districts apply only to property owners whose property is located within the geographic boundaries of the special district.).
- (3) Special Districts include:
Metropolitan Council, Regional Transit District, Lower Minnesota Watershed #1, Carver County Water Management Organization, Mosquito Control and Carver County Rail Authority.
- (4) Since 2014, rates no longer include the Carver County Water Management Organization.

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TAXPAYER	ASSESSED 2019 - PAYABLE 2020				ASSESSED 2010 - PAYABLE 2011			
	ESTIMATED ACTUAL VALUE ⁽¹⁾	ESTIMATED NET TAX CAPACITY	RANK	PERCENT OF REAL PROPERTY TAX CAPACITY VALUE	ESTIMATED ACTUAL VALUE	ESTIMATED NET TAX CAPACITY	RANK	PERCENT OF REAL PROPERTY TAX CAPACITY VALUE
United Healthcare Services Inc	\$ 26,193,600	\$ 522,372	1	1.43%	*	*	*	*
Aurora Investments LLC	21,770,000	416,149	2	1.14%	17,830,700	338,562	2	1.59%
RCS-RCA Oak Ridge LLC	18,106,200	325,300	3	0.89%	*	*	*	*
Chaska Heights Senior Living LLC	24,122,700	301,534	4	0.83%	*	*	*	*
CenterPoint Energy Minnegasco	13,814,100	275,532	5	0.75%	*	*	*	*
Aurora-Chaska Medical LLC	31,180,500	273,638	6	0.75%	*	*	*	*
Via West Inc	13,137,400	261,998	7	0.72%	*	*	*	*
Arrow Hazeltine Shores LLC	20,516,400	256,456	8	0.70%	*	*	*	*
Target Corp	12,808,800	255,426	9	0.70%	13,083,900	260,928	3	1.23%
SB Chaska Partners LLC	19,368,800	242,100	10	0.66%	*	*	*	*
Ameriprise Financial Inc	*	*		*	22,843,900	422,862	1	1.99%
Entegris	*	*		*	12,892,100	255,377	4	1.20%
Chaska Investment LP	*	*		*	14,680,200	219,132	5	1.03%
Kohl's Illinois, Inc	*	*		*	10,606,900	211,388	6	0.99%
Lifecore Biomedical Inc.	*	*		*	9,604,500	191,340	7	0.90%
Home Depot USA, Inc	*	*		*	9,486,700	188,984	8	0.89%
Lake Region Mfg Co., Inc	*	*		*	8,772,200	173,194	9	0.81%
Northern Star Co.	*	*		*	8,693,900	173,128	10	0.81%
	<u>\$ 201,018,500</u>	<u>\$ 3,130,505</u>		<u>8.57%</u>	<u>\$ 128,495,000</u>	<u>\$ 2,434,895</u>		<u>11.45%</u>

Source: Carver County Auditor

(1) Assessed 2020 values are determined as of January 2, 2019

Ranked in order of Estimated Net Tax Capacity.

* Denotes taxpayer was not a principal taxpayer for the year reported.

CITY OF CHASKA, MINNESOTA

**PROPERTY TAX LEVIES AND COLLECTIONS ⁽¹⁾
LAST TEN FISCAL YEARS
(UNAUDITED)**

TAXES PAYABLE YEAR	LEVY FOR CALCULATION OF TAX RATE			LEVY ADJUSTMENT AFTER RATE CALCULATION	COUNTY ADJUSTED NET TAX LEVY
	CERTIFIED LEVY	CREDITS AND ADJUSTMENTS	COUNTY ADJUSTED TAX LEVY		
2011	\$ 4,955,217	\$ (186,714)	\$ 4,768,503	\$ (7,186)	\$ 4,761,317
2012	4,955,196	(805)	4,954,391	(19,989)	4,934,402
2013	5,107,919	(767)	5,107,152	(33,561)	5,073,591
2014	5,222,224	(802)	5,221,422	(5,276)	5,216,146
2015	6,951,262	(1,390)	6,949,872	(1,590)	6,948,282
2016	7,728,287	(1,462)	7,726,825	(35,220)	7,691,605
2017	8,396,405	(1,611)	8,394,794	(20,108)	8,374,686
2018	9,057,344	(1,614)	9,055,730	21,726	9,077,456
2019	9,700,652	(1,655)	9,698,997	(28,286)	9,670,711
2020	10,516,131	(1,679)	10,514,452	47,705	10,562,157

Source: Carver County Auditor

(1) Collections do not include tax increment or mobile home.

Table 10

COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS AND ABATEMENTS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
\$ 4,704,646	98.81%	\$ 56,668	\$ 4,761,314	100.00%
4,890,418	99.11%	43,981	4,934,399	100.00%
5,011,429	98.77%	61,939	5,073,368	100.00%
5,179,682	99.30%	35,959	5,215,641	99.99%
6,889,114	99.15%	54,297	6,943,411	99.93%
7,649,215	99.45%	42,158	7,691,373	100.00%
8,348,563	99.69%	25,369	8,373,932	99.99%
9,053,269	99.73%	21,764	9,075,033	99.97%
9,642,349	99.71%	25,414	9,667,763	99.97%
10,539,422	99.78%	-	10,539,422	99.78%

CITY OF CHASKA, MINNESOTA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

GOVERNMENTAL ACTIVITIES									
FISCAL YEAR	GENERAL OBLIGATION EQUIPMENT CERTIFICATES	OTHER GENERAL OBLIGATION BONDS	GENERAL OBLIGATION TAX INCREMENT BONDS	GENERAL OBLIGATION ABATEMENT BONDS	GENERAL OBLIGATION IMPROVEMENT BONDS	GENERAL OBLIGATION REVENUE BONDS	REVENUE BONDS	NOTES PAYABLE	CAPITAL LEASES
2011	\$ 1,000,000	\$ 3,455,000	\$ 13,050,000	\$ 405,000	\$ 16,155,000	\$ -	\$ -	\$ 159,960	\$ -
2012	690,000	3,455,000	10,500,000	405,000	21,705,000	-	-	152,717	-
2013	1,320,000	3,120,000	7,235,000	405,000	18,870,000	-	-	144,994	-
2014	1,190,000	2,755,000	3,835,000	405,000	23,610,000	-	-	136,788	-
2015	975,000	2,315,000	945,000	405,000	27,705,000	-	10,085,000	128,068	-
2016	740,000	1,835,000	850,000	405,000	25,510,000	-	10,085,000	119,300	-
2017	2,605,000	1,635,000	1,220,000	2,430,000	30,995,000	-	9,815,000	107,998	-
2018	2,505,000	1,880,000	1,125,000	630,000	29,405,000	720,000	9,545,000	96,139	-
2019 (2)	3,480,000	6,795,000	3,210,000	620,000	33,595,000	645,000	9,270,000	83,696	12,878
2020 (3)	3,185,000	6,440,000	3,100,000	610,000	32,310,000	570,000	16,805,000	70,652	10,313

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

- (1) See the Schedule of Demographics and Economic Statistics for personal income and population data.
- (2) Governmental Activities Other General Obligation Bonds include Temporary GO Bonds issued in 2019 with an outstanding balance of \$5,205,000.
- (3) Governmental Activities Other General Obligation Bonds include Temporary GO Bonds issued in 2019 with an outstanding balance of \$5,150,000.

GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES							
DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)	TOTAL GOVERNMENTAL ACTIVITIES DEBT	GENERAL OBLIGATION REVENUE BONDS	REVENUE BONDS	CAPITAL LEASES	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)	TOTAL BUSINESS-TYPE ACTIVITIES DEBT	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME ⁽¹⁾	PER CAPITA ⁽¹⁾
\$ 442,980	\$ 34,667,940	\$ 12,335,000	\$ 35,720,000	\$ -	\$ 982,767	\$ 49,037,767	\$ 83,705,707	6.03%	3,487
569,374	37,477,091	12,020,000	34,575,000	-	929,875	47,524,875	85,001,966	5.81%	3,511
610,991	31,705,985	11,700,000	37,125,000	-	894,630	49,719,630	81,425,615	5.29%	3,282
842,462	32,774,250	11,370,000	35,625,000	-	840,869	47,835,869	80,610,119	5.32%	3,190
1,908,544	44,466,612	16,170,000	46,970,000	-	3,524,126	66,664,126	111,130,738	6.86%	4,340
1,783,175	41,327,475	15,745,000	45,435,000	-	3,289,591	64,469,591	105,797,066	6.21%	4,002
2,785,053	51,593,051	15,820,000	52,015,000	-	3,572,665	71,407,665	123,000,716	6.75%	4,566
2,587,041	48,493,180	15,100,000	47,050,000	145,571	3,305,892	65,601,463	114,094,643	6.10%	4,131
3,400,438	61,112,012	17,220,000	44,125,000	101,541	3,169,083	64,615,624	125,727,636	6.38%	4,540
3,428,009	66,528,974	25,450,000	42,540,000	54,528	4,058,492	72,103,020	138,631,994	6.87%	5,006

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
TO ESTIMATED ACTUAL TAXABLE VALUE
LAST TEN FISCAL YEARS
(UNAUDITED)**

FISCAL YEAR	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		LESS AMOUNT RESTRICTED TO DEBT SERVICE (2)	NET GENERAL OBLIGATION DEBT	PERCENTAGE OF ESTIMATED ACTUAL MARKET VALUE OF PROPERTY (3)	PER CAPITA (4)
	GENERAL OBLIGATION BONDS (1)	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)	GENERAL OBLIGATION BONDS (1)	DEBT ISSUANCE PREMIUMS/ (DISCOUNTS)				
2011	\$ 34,065,000	\$ 442,980	\$ 12,335,000	\$ 252,752	\$ 982,867	\$ 46,112,865	2.03%	1,921
2012	36,755,000	569,374	12,020,000	238,260	10,446,019	39,136,615	1.81%	1,616
2013	30,950,000	610,991	11,700,000	223,777	7,675,532	35,809,236	1.77%	1,443
2014	31,795,000	842,462	11,370,000	209,294	8,117,087	36,099,669	1.70%	1,429
2015	32,345,000	1,291,364	16,170,000	283,655	5,994,522	44,095,497	1.85%	1,722
2016	29,340,000	1,199,669	15,745,000	264,948	5,897,191	40,652,426	1.58%	1,538
2017	38,885,000	2,235,225	15,820,000	302,416	7,042,822	50,199,819	1.89%	1,863
2018	36,265,000	2,070,891	15,100,000	281,020	7,634,833	46,082,078	1.62%	1,668
2019	48,345,000	2,917,966	17,220,000	387,246	8,319,472	60,550,740	2.01%	2,192
2020	46,215,000	2,927,265	25,450,000	666,467	8,661,721	66,597,011	2.03%	2,405

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

(1) Includes all general obligation bonds, including general obligation equipment certificates, general obligation tax increment bonds, general obligation taxable abatement bonds, general obligation improvement bonds and general obligation revenue bonds.

(2) Amount restricted for repayment of general obligation bonds.

(3) See the Schedule of Tax Capacity Value and Estimated Actual Market Value of Real and Personal Property for property value data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2020
(UNAUDITED)

	DEBT OUTSTANDING	PERCENT OF DEBT APPLICABLE TO CITY	AMOUNT OF DEBT APPLICABLE TO CITY
DIRECT DEBT			
City of Chaska and Chaska EDA	\$ 66,528,974 (1)	100.00%	\$ 66,528,974
OVERLAPPING DEBT			
Carver County	21,958,265	21.82%	4,791,294
Carver County CDA	27,870,000 (2)	-	-
Independent School District 112	178,825,000	37.58%	67,202,435
Metropolitan Council	1,688,625,662 (3)	0.80%	13,509,005
Mosquito Control District	436,883	21.82%	95,328
Total Overlapping Debt	1,917,715,810		85,598,062
Total Direct and Overlapping Debt	\$ 1,984,244,784		\$ 152,127,036

Source: Carver County Auditor

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Chaska. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

- (1) Excludes general obligation and revenue bonds reported in the enterprise funds. Includes premium related to governmental activities general obligation bonds and notes payable. Includes capital lease payable related to governmental activities.
- (2) No percentage of the Carver County CDA bonds is applicable because the bonds will be repaid primarily from housing revenues.
- (3) Excludes general obligation debt supported by wastewater revenues and housing rental payments. Includes certificates of participation, governmental activities general obligation bonds, and notes payable.

CITY OF CHASKA, MINNESOTA**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2011	2012	2013	2014
Market Value	\$ 2,271,392,000	\$ 2,162,908,900	\$ 2,020,207,000	\$ 2,121,003,200
Debt Limit - 3% of Market Value (A)	68,141,760	64,887,267	60,606,210	63,630,096
Amount of Debt Applicable to Debt Limit:				
GO Improvement Bonds and				
Equipment Certificates	1,180,000	875,000	1,480,000	3,895,000
Capital Improvement Plan Refunding	2,050,000	1,635,000	1,195,000	750,000
Lease Obligations issued by the EDA	2,900,000	2,900,000	6,610,000	6,315,000
Installment Purchase Revenue Debt	-	-	-	-
Total Debt Applicable to Debt Limit	6,130,000	5,410,000	9,285,000	10,960,000
Legal Debt Margin	\$ 62,011,760	\$ 59,477,267	\$ 51,321,210	\$ 52,670,096
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit (B)	9.00%	8.34%	15.32%	17.22%

Source: Carver County Auditor (Market Value)

- (A) Sec. 475.53 MN Statutes - Generally. Except as otherwise provided in sections 475.51 to 475.74, no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of three percent of the taxable property in the municipality.
- (B) Sec. 475.51 MN Statutes - Definitions: Subdivision 4. "Net debt" means the amount remaining after deduction from its gross debt the aggregate of the principal of the following:
- (1) Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
 - (2) Warrants or orders having no definite or fixed maturity.
 - (3) Obligations payable wholly from the income from revenue producing conveniences.
 - (4) Obligations issued to create or maintain a permanent improvement revolving fund.
 - (5) Obligations issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.
 - (6) Debt service loans and capital loans made to a school district under the provisions of sections 126C.68 and 126C.69.
 - (7) Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.
 - (8) Obligations to repay loans made under section 216C.37.
 - (9) Obligations to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.
 - (10) Obligations issued to pay pension fund or other postemployment benefit liabilities under section 475.52, subdivision 6, or any charter authority.
 - (11) Obligations issued to pay judgments against the municipality under section 475.52, subdivision 6, or any charter authority.
 - (12) All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

Table 14

2015	2016	2017	2018	2019	2020
\$ 2,380,806,300	\$ 2,573,342,000	\$ 2,652,305,300	\$ 2,847,274,600	\$ 3,007,913,300	\$ 3,281,441,700
<u>71,424,189</u>	<u>77,200,260</u>	<u>79,569,159</u>	<u>85,418,238</u>	<u>90,237,399</u>	<u>98,443,251</u>
3,680,000	3,180,000	4,765,000	4,385,000	5,070,000	4,475,000
295,000	-	-	-	-	-
32,360,000	32,045,000	32,390,000	28,690,000	27,105,000	25,060,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,815,000</u>
<u>36,335,000</u>	<u>35,225,000</u>	<u>37,155,000</u>	<u>33,075,000</u>	<u>32,175,000</u>	<u>37,350,000</u>
\$ 35,089,189	\$ 41,975,260	\$ 42,414,159	\$ 52,343,238	\$ 58,062,399	\$ 61,093,251
50.87%	45.63%	46.70%	38.72%	35.66%	37.94%

CITY OF CHASKA, MINNESOTA

PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)

FISCAL YEAR	OPERATING REVENUE (2)	OPERATING EXPENSES (3)	NET AVAILABLE	DEBT SERVICE REQUIREMENTS (4)			COVERAGE	
			FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL		
DEBT SERVICE FUNDS - REVENUE BONDS: LAST TEN FISCAL YEARS								
2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
2012	-	-	-	-	-	-	-	
2013	-	-	-	-	-	-	-	
2014	-	-	-	-	-	-	-	
2015	112	-	112	-	99,640	99,640	0.00	
2016	932	1,600	(668)	-	358,474	358,474	(0.00)	
2017	1,799	3,200	(1,401)	270,000	369,950	639,950	(0.00)	
2018	2,563	3,200	(637)	270,000	364,550	634,550	(0.00)	
2019	2,546	3,200	(654)	275,000	359,100	634,100	(0.00)	
2020	1,080,081 (7)	9,400	1,070,681	280,000	470,271	750,271	1.43	
ELECTRIC ENTERPRISE FUND: LAST TEN FISCAL YEARS								
2011	\$ 29,085,312	\$ 26,155,497	\$ 2,929,815	\$ -	\$ 2,397	\$ 2,397	1,222.28	
2012	31,888,910	28,538,119	3,350,791	170,000	93,881	263,881	12.70	
2013	34,068,387	30,140,170	3,928,217	145,000	90,607	235,607	16.67	
2014	35,013,104	31,617,219	3,395,885	145,000	87,707	232,707	14.59	
2015	35,859,710	32,487,115	3,372,595	140,000	84,832	224,832	15.00	
2016	37,703,918	34,201,984	3,501,934	150,000	83,870	233,870	14.97	
2017	37,751,011	34,381,108	3,369,903	145,000	80,870	225,870	14.92	
2018	41,513,669	37,413,217	4,100,452	395,000	336,161	731,161	5.61	
2019	41,565,560	34,058,548	7,507,012	420,000	309,145	729,145	10.30	
2020	43,028,104	34,972,958	8,055,146	430,000	295,545	725,545	11.10	
WATER ENTERPRISE FUND: LAST TEN FISCAL YEARS								
2011	\$ 2,396,654	\$ 1,344,267	\$ 1,052,387	\$ 1,345,000 (5)	\$ 562,992	\$ 1,907,992	0.55	
2012	2,758,682	1,414,581	1,344,101	315,000	381,821	696,821	1.93	
2013	2,536,026	1,601,751	934,275	320,000	375,351	695,351	1.34	
2014	2,419,202	1,707,247	711,955	330,000	367,008	697,008	1.02	
2015	2,551,958	1,703,500	848,458	370,000	359,789	729,789	1.16	
2016	2,735,781	1,760,515	975,266	425,000	376,418	801,418	1.22	
2017	2,787,654	1,768,636	1,019,018	482,000	359,051	841,051	1.21	
2018	2,908,068	1,860,948	1,047,120	529,000	361,505	890,505	1.18	
2019	2,999,645	2,181,688	817,957	594,000	362,430	956,430	0.86	
2020	3,372,280	2,353,522	1,018,758	625,000	381,098	1,006,098	1.01	
SEWER ENTERPRISE FUND: SIX FISCAL YEARS								
2015 (1)	\$ 3,275,998	\$ 3,062,822	\$ 213,176	\$ -	\$ -	\$ -	-	
2016	3,433,187	3,110,423	322,764	-	45,259	45,259	7.13	
2017	3,612,296	3,340,582	271,714	104,000	73,473	177,473	1.53	
2018	3,809,359	3,610,519	198,840	116,000	73,973	189,973	1.05	
2019	4,158,322	3,838,809	319,513	121,000	76,644	197,644	1.62	
2020	4,612,317	4,300,056	312,261	125,000	99,796	224,796	1.39	
COMMUNITY CENTER ENTERPRISE FUND: LAST TEN FISCAL YEARS								
2011	\$ 2,822,770	\$ 2,876,559	\$ (53,789)	\$ -	\$ 121,740	\$ 121,740	(0.44)	
2012	2,953,450	2,810,017	143,433	-	121,740	121,740	1.18	
2013	2,840,473	2,882,382	(41,909)	140,000	175,333	315,333	(0.13)	
2014	3,098,390	2,949,046	149,344	295,000	233,923	528,923	0.28	
2015	3,250,759	3,101,196	149,563	305,000	225,594	530,594	0.28	
2016	2,737,031	3,470,538	(733,507)	315,000	217,870	532,870	(1.38)	
2017	3,165,224	3,570,939	(405,715)	325,000	204,528	529,528	(0.77)	
2018	3,069,710	3,834,757	(765,047)	2,465,000	185,834	2,650,834	(0.29)	
2019	3,215,817	3,786,406	(570,589)	330,000	160,795	490,795	(1.16)	
2020	1,830,242	3,737,706	(1,907,464)	3,075,000	154,030	3,229,030	(0.59)	

Table 15

FISCAL YEAR	OPERATING REVENUE (2)	OPERATING EXPENSES (3)	NET AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS (4)			COVERAGE
				PRINCIPAL	INTEREST	TOTAL	
TURBINE GENERATOR ENTERPRISE FUND: LAST TEN FISCAL YEARS							
2011	\$ 2,327,696	\$ 112,778	\$ 2,214,918	\$ 940,000	\$ 1,454,734	\$ 2,394,734	0.92
2012	2,287,299	114,695	2,172,604	975,000	1,416,784	2,391,784	0.91
2013	2,236,674	125,474	2,111,200	1,015,000	1,377,384	2,392,384	0.88
2014	2,185,282	284,255	1,901,027	1,060,000	1,336,069	2,396,069	0.79
2015	1,969,875	220,558	1,749,317	1,100,000 (6)	1,223,907	2,323,907	0.75
2016	1,786,037	304,332	1,481,705	1,070,000	1,007,850	2,077,850	0.71
2017	1,734,137	309,043	1,425,094	1,110,000	706,128	1,816,128	0.78
2018	1,712,581	342,286	1,370,295	1,140,000	931,750	2,071,750	0.66
2019	1,657,288	389,787	1,267,501	1,195,000	886,150	2,081,150	0.61
2020	1,495,484	320,756	1,174,728	1,220,000	862,250	2,082,250	0.56
STORM WATER ENTERPRISE FUND: SIX FISCAL YEARS							
2015 (1)	\$ 913,884	\$ 698,036	\$ 215,848	\$ -	\$ 7,502	\$ 7,502	28.77
2016	969,639	802,266	167,373	-	29,770	29,770	5.62
2017	1,099,143	752,510	346,633	74,000	59,766	133,766	2.59
2018	1,587,676	841,372	746,304	75,000	48,572	123,572	6.04
2019	1,714,251	911,156	803,095	80,000	47,076	127,076	6.32
2020	1,756,180	1,004,334	751,846	80,000	64,226	144,226	5.21
CURLING CENTER ENTERPRISE FUND: SIX FISCAL YEARS							
2015 (1)	\$ 65,663	\$ 208,181	\$ (142,518)	\$ -	\$ 290,781	\$ 290,781	(0.49)
2016	1,175,144	925,311	249,833	-	484,225	484,225	0.52
2017	1,224,086	1,177,073	47,013	940,000	523,917	1,463,917	0.03
2018	1,223,657	1,497,227	(273,570)	965,000	514,389	1,479,389	(0.18)
2019	1,133,372	1,295,609	(162,237)	980,000	495,446	1,475,446	(0.11)
2020	641,658	1,105,354	(463,696)	1,000,000	472,636	1,472,636	(0.31)

Note: Bonds in the Electric, Water and Storm Water Enterprise funds are supported by charges for services; the Turbine Generator, Community Center and Curling Center Enterprise funds are supported by lease revenue; and the Debt Service funds are supported by lease revenue.

(1) First year shown is first year of issuance.

(2) Includes interest revenue for years 2011 - 2019. For 2020 and future years, interest revenue is not included.

(3) Does not include depreciation or transfers to other funds.

(4) Includes principal and interest payment of revenue bonds only.

(5) 2011 principal payment does not include \$10,455,000 paid from refunding bond investment to refund the 2003 GO Water Revenue Bonds.

(6) 2015 principal payment does not include \$100,000 or \$25,035,000 paid from refunding bond investments to refund the 2000 Electric Revenue bonds or the 2005 Electric Revenue Refunding Bonds respectively.

(7) In 2020, Transfers were included to be consistent with Note 6 - Long Term Liabilities, Revenue Pledged

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	POPULATION (1)	NUMBER OF HOUSEHOLDS (1)	ESTIMATED PERSONAL INCOME (2)	PER CAPITA INCOME (2)	MEDIAN AGE (3)	K-12 SCHOOL ENROLLMENT (4)	UNEMPLOYMENT RATE (5)
2011	24,002	8,874	\$ 1,325,774,472	\$ 55,236	34.2	6,072	5.54%
2012	24,211	8,941	1,423,873,121	58,811	34.2	6,185	4.83%
2013	24,811	9,143	1,463,873,811	59,001	34.2	6,086	4.31%
2014	25,270	9,278	1,576,620,570	62,391	35.6	5,797	3.62%
2015	25,607	9,492	1,655,851,048	64,664	35.7	5,854	3.20%
2016	26,439	9,823	1,733,578,791	65,569	36.2	5,700	3.33%
2017	26,941	10,012	1,842,629,695	68,395	36.1	5,662	3.06%
2018	27,622	10,136	1,968,564,696	71,268	36.0	5,561	2.50%
2019	27,692	10,228	2,017,417,584	72,852	36.2	5,725	2.80%
2020	27,692 (6)	10,228 (6)	2,017,417,584 (6)	72,852 (6)	36.2	5,769	3.20%

(1) Source: Metropolitan Council annual estimate as of April 1st of the previous year.

(2) Source: Minnesota State Demographer, using U.S. Department of Commerce, Bureau of Economic Analysis (BEA), Carver County personal income and per capita income (City personal income as a ratio of Carver County personal income).

(3) Source: US Census Bureau, Chaska City, MN

(4) Source: Minnesota Department of Education for Independent School District #112, includes private school data for St. John's Lutheran, Guardian Angels Catholic, Southwest Christian High School, Jonathan Mont. and Step/Step Enrollment excludes K-12 District #112 buildings not located within the City.

(5) Source: Minnesota Department of Employment and Economic Development Average Annual Unemployment Rate for the City of Chaska (not seasonally adjusted). (Number of people estimated by place of residence).

(6) 2020 data is not available at this time. Data is from 2019, and will be updated as it becomes available.

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

EMPLOYER	2020			2011		
	ESTIMATED EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT (1)	ESTIMATED EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
ISD #112/Eastern Carver County	1,346	1	10.14%	1,100	1	9.88%
Entegris Inc	925	2	6.97%	350	7	3.14%
Beckman-Coulter, Inc	850	3	6.40%	750	4	6.74%
TEL-FSI, Inc (2)	850	3	6.40%	850	2	7.63%
Carver County	700	5	5.27%	815	3	7.32%
The Bernard Group	646	6	4.87%	*	*	*
Lake Region Manufacturing Co., Inc	600	7	4.52%	745	5	6.69%
Old National Bank (3)	560	8	4.22%	*	*	*
City of Chaska (4)	535	9	4.03%	*	*	*
Apex International, MFG	400	10	3.01%	*	*	*
Sanofi Diagnostics Pasteur, Inc	*	*	*	415	6	3.73%
Century Link	*	*	*	210	8	1.89%
Maximum Graphics	*	*	*	190	9	1.71%
Lifecore Biomedical	*	*	*	185	10	1.66%
Total:	7,412		55.84%	5,610		50.39%

Sources: Minnesota Department of Employment and Economic Development, Baker Tilly survey,

(1) Total City Employment based on the most recent Metropolitan Council estimate as of 2018.

(2) Formerly known as FSI International

(3) Formerly known as Klein Financial, Inc

(4) Includes seasonal and part-time employees

* Denotes employer was not a principal employer for the year reported.

CITY OF CHASKA, MINNESOTA**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

FUNCTION/PROGRAM	FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31			
	2011	2012	2013	2014
General Government	23.9	25.8 (2)	28.8	29.4 (2)
Public Safety				
Police Department	32.0	32.4	32.8	30.0
Fire Department (1)	4.1	5.2	6.4	8.8
Building Inspections (6)	0.0	0.0	0.0	0.0
Public Works	20.0	19.8	21.2	20.3
Parks, Recreation and Arts	5.4	5.0	5.7	5.6
Electric	16.8	16.7	15.9	17.0
Water	6.7	6.8	7.0	7.4
Sewer	6.8	6.8	6.7	7.2
Chaska Community Center	39.3	38.9	37.7	37.1
Par 30 Golf Course	2.7	3.1	2.4	2.3
Chaska Town Course	17.9	18.4	17.9	17.9
Internet Service Provider	2.3	2.3	2.3	1.0
Storm Water	2.5	2.8	2.3	2.6
Curling/Event Center	N/A	N/A	N/A	N/A
Total	180.4	183.9	186.9	186.4

Source: City of Chaska Payroll.

- (1) The Chaska Fire Department is comprised of 44 authorized fire fighter positions.
- (2) Includes election judges which increases General Government totals by a range of 1 - 1.2 equivalent employees each election year.
- (3) Residential internet service ended in 2015 and Chaska.Net employee moved to General Government.
- (4) Curling/Event Center opened 2015.
- (5) KPMG Golf Tournament 2019 required extra Police & Fire Hours
- (6) Building Inspections Department was previously included in General Government.

Table 18

FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31								
2015	2016		2017	2018		2019	2020	
30.2	31.2	(2)	29.7	32.2	(2)	32.2	31.9	(2)
30.0	31.9		31.5	32.7		35.1	(5)	35.8
11.5	11.1		12.3	14.1		16.1	(5)	16.3
0.0	0.0		0.0	0.0		0.0		5.6
19.5	20.9		22.1	24.6		25.0		25.2
4.6	7.2		7.0	7.7		9.4		8.2
17.6	17.6		17.4	16.0		17.2		19.3
7.6	7.1		7.1	6.8		6.8		6.8
7.0	6.9		7.1	6.9		6.8		6.8
37.7	38.8		39.0	38.1		39.1		35.4
2.6	2.7		2.6	2.4		2.5		2.3
18.6	19.3		18.5	18.4		18.7		18.0
0.0	(3)	0.0	0.0	0.0		0.0		0.0
2.7	3.1		3.2	2.9		2.9		2.9
1.0	(4)	6.0	8.6	9.2		9.6		8.2
190.6	203.5		206.0	211.9		221.5		222.6

CITY OF CHASKA, MINNESOTA

OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR			
	2011	2012	2013	2014
Electric				
Number of Connections (Billed)	9,526	9,586	9,887	10,054
Purchased KWH Power Wholesale				
From MMPA	322,849,265	348,581,737	355,358,125	360,570,327
Total kWh Sales	311,031,667	336,913,874	342,701,568	347,410,769
Total kWh Received (8)	-	-	-	-
Peak kW Demand	71,330	72,549	76,147	72,641
Water				
Number of Connections (Billed)	6,296	6,322	6,448	6,613
Total Water Pumped (Gallons)	1,106,505,000	1,212,283,000	1,089,134,000	1,036,324,000
Total Water Sold (Gallons)	1,044,693,000	1,158,300,000	1,031,696,000	972,503,000
Average Daily Usage (Gallons Per Day)	3,032,000	3,173,000	2,827,000	2,664,392
System Peak Day (Gallons Per Day)	6,000,000	7,800,000	6,847,000	6,429,000
Sewer				
Number of Connections (Billed)	6,154	6,257	6,380	6,545
Total Gallons Treated (Gallons)	923,511,000	916,374,000	920,399,000	930,431,000
Sewer Service through Metropolitan Council Environmental Services				
Storm Water				
Number of Utility Customers (Billed)	7,866	7,882	7,954	8,051
Internet Service Provider (5)				
Number of Connections (Billed)	1,667	1,439	1,080	730
Golf Courses				
Town Course Rounds / Golfers	30,400	33,042	28,519	31,199
Par 30 Rounds / Golfers	13,210	15,652	14,982	14,907
Par 30 Rounds / Foot Golf (4)	-	-	-	-
General Government / Building Department				
Building Permits And Market Value				
Commercial, Industrial And Public (1)				
Permits	46	44	44	51
Market Value (7)	\$ 54,355,421	\$ 14,310,190	\$ 37,794,640	\$ 11,117,620
Single Family Homes And Townhomes (2)				
Permits	54	115	130	138
Market Value	\$ 13,638,503	\$ 30,700,695	\$ 34,957,157	\$ 35,216,150
Condos, Apartments And Multi-Family Homes (2)				
Permits	-	5	8	6
Market Value	\$ -	\$ 7,500,728	\$ 3,317,416	\$ 5,005,291
Misc. Residential And Other Bldgs (3)				
Permits	744	784	620	591
Market Value (6)	\$ 9,897,138	\$ 7,891,683	\$ 6,337,948	\$ 6,642,933
Total Building Permits:	844	948	802	786
Total Market Value:	\$ 77,891,062	\$ 60,403,296	\$ 82,407,161	\$ 57,981,994

Source: City Utility, Golf Courses and Building Departments.

(1) Includes new construction and additions/alterations.

(2) Includes new construction only.

(3) Includes additions, alterations, garages, accessory structures, pools and commercial re-roofing.

(4) Par 30 Golf Course introduced Foot Golf in 2015. Foot Golf officially ended in 2020.

(5) Residential internet service ended in 2015. 2018 was last year of billed service to outside customers.

(6) 2016 Miscellaneous residential and other buildings includes 1,138 residential single family alterations/additions valued at \$12,102,429.

(7) 2017 increase in the market value of commercial, industrial and public permits is due to several large projects including a new Data Center valued at \$32.3 million.

(8) In 2017 started tracking annual kWh Sales Received on a Gross basis rather than a Net basis

Table 19

FISCAL YEAR					
2015	2016	2017	2018	2019	2020
9,912	10,002	10,240	10,296	10,488	10,618
360,908,813	367,267,226	364,637,712	383,993,272	388,005,113	399,816,088
350,780,886	355,853,340	354,994,175	371,631,841	374,349,964	383,968,650
-	-	1,267	29,118	38,945	94,676
70,061	77,637	73,472	78,428	77,413	80,485
6,797	6,912	7,063	7,151	7,260	7,362
1,030,518,000	1,040,547,000	1,071,455,000	1,037,845,000	1,030,142,000	1,100,289,000
991,284,000	1,016,915,000	1,029,698,000	981,943,000	986,551,000	1,056,638,979
2,715,847	2,786,000	2,821,000	2,843,411	2,822,000	2,895,000
6,007,000	7,047,000	6,554,000	6,579,000	5,939,000	6,589,000
6,710	6,827	6,916	6,999	7,093	7,186
931,203,000	924,965,000	912,076,000	845,848,000	870,838,000	882,570,979
8,153	8,292	8,364	8,438	8,517	8,615
2	2	2	2	-	-
34,253	33,403	32,642	30,157	29,374	38,550
15,560	14,810	14,130	13,206	13,020	20,488
1,925	1,108	681	647	380	-
43	38	45	49	34	47
\$ 26,204,786	\$ 14,769,385	\$ 69,759,098	\$ 14,207,139	\$ 6,587,100	\$ 8,694,470
135	134	103	78	114	113
\$ 35,690,048	\$ 34,199,578	\$ 24,339,375	\$ 18,788,936	\$ 31,901,390	\$ 28,362,364
1	10	-	1	-	-
\$ 17,000,000	\$ 6,303,563	\$ -	\$ 17,500,000	\$ -	\$ -
658	1,234	678	570	636	917
\$ 8,275,817	\$ 15,058,650	\$ 11,310,594	\$ 7,125,660	\$ 7,365,467	\$ 14,342,105
837	1,416	826	698	784	1,077
\$ 87,170,651	\$ 70,331,176	\$ 105,409,067	\$ 57,621,735	\$ 45,853,957	\$ 51,398,939

CITY OF CHASKA, MINNESOTA

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

FUNCTION/PROGRAM	FISCAL YEAR			
	2011	2012	2013	2014
Public Safety				
Police:				
Stations	1	1	1	1
Fire:				
Stations	1	1	1	1
Number of Fire Hydrants (Private)	1,836	1,850	1,865	414 (3)
Number of Fire Hydrants (Public)				1,371 (3)
Public Works				
Miles of Streets:				
City / Local	76.11	76.84	78.19	76.81 (2)
City MSA	20.47	20.47	20.47	20.95
Parks, Recreation and Arts				
Number of Parks	23	26	26	26
Acres of Parks	964	970	970	970
Miles of Trails	46.5 (1)	66	66	66
Golf Courses	2	2	2	2
Electric				
Number of Substations	3	4	4	4
Water				
Water Mains (Miles)	148	149	151	153
Number of Wells	6	6	6	6
Total Pumping Capacity (Gallons Per Day)	13,400,000	13,400,000	13,400,000	13,400,000
Filtration Capacity (Gallons Per Day)	12,600,000	12,600,000	12,600,000	12,600,000
Total Storage Capacity (Gallons)	4,400,000	4,400,000	4,800,000	4,800,000

Source: City Departments

(1) 2011 miles of trails was an estimate.

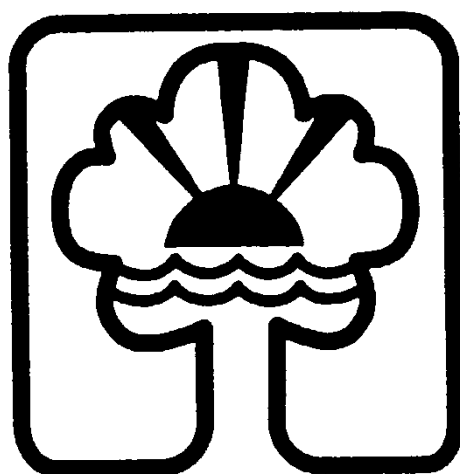
(2) Decrease in City / Local Streets due to Common Boundary Mileage per State Aid Division.

(3) Count of hydrants was recalculated per City GIS system resulting in an adjustment downward of 80 hydrants. Prior years have not been restated.

(4) Closed the Chaska Downtown Substation to convert it into a switching station.

Table 20

FISCAL YEAR					
2015	2016	2017	2018	2019	2020
1	1	1	1	1	1
1	1	1	1	1	1
416	422	494	517	518	531
1,390	1,393	1,393	1,431	1,450	1,504
77.78	78.36	79.17	79.36	80.71	81.70
20.95	20.94	20.94	20.79	20.79	22.92
26	26	26	26	28	28
970	973	973	973	985	985
67	67	68	68	69	70.5
2	2	2	2	2	2
3 (4)	3	3	4	4	4
154	155	155	160	163	169
6	6	6	6	6	6
13,400,000	13,400,000	13,400,000	13,400,000	13,400,000	13,400,000
12,600,000	12,600,000	12,600,000	12,600,000	12,600,000	12,600,000
4,800,000	4,800,000	4,800,000	4,800,000	4,800,000	4,800,000



CHASKA